

MALHAR S. PAGAY (CA BAR NO. 189289)  
VICTORIA A. NEWMARK (CA BAR NO. 183581)  
PACHULSKI STANG ZIEHL & JONES LLP  
10100 Santa Monica Blvd., 13th Floor  
Los Angeles, California 90067  
Telephone: 310/277-6910  
Facsimile: 310/201-0760  
E-mail: mpagay@pszjlaw.com  
vnewmark@pszjlaw.com

Attorneys for Wynn Las Vegas, LLC d/b/a Wynn Las Vegas

**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA  
LOS ANGELES DIVISION**

In re:

GGW BRANDS, LLC,

Debtor.

Case No.: 2:13-bk-15130-SK

Chapter 11

**DECLARATION OF MITCHELL J.  
LANGBERG IN SUPPORT OF  
MOTION FOR ORDER DIRECTING  
THE APPOINTMENT OF A  
CHAPTER 11 TRUSTEE**

**Hearing**

Date: [To be set]  
Time: [To be set]  
Place: Courtroom 1575  
255 E. Temple Street  
Los Angeles, CA 90012

I, Mitchell J. Langberg, declare as follows:

1. I am an attorney, duly admitted to practice law in the state of California. I am a Shareholder in Brownstein Hyatt Farber Schreck LLP, counsel to Wynn Las Vegas, LLC d/b/a Wynn Las Vegas ("Wynn Las Vegas"), in connection with the legal disputes described herein between, on the one hand, Wynn Las Vegas and Stephen Wynn and, on the other hand, Joseph Francis ("Francis"), and debtors and debtors in possession GGW Brands, LLC ("GGW Brands"), GGW Direct, LLC ("GGW Direct"), GGW Events, LLC ("GGW Events") and GGW Magazine, LLC ("GGW Magazine", and together with GGW Brands, GGW Direct, and GGW Events, the "Debtors").

2. I make this Declaration in support of the *Motion for Order Directing the Appointment of a Chapter 11 Trustee* (the “Motion”), filed by Wynn Las Vegas in the above-captioned case.

Terms not otherwise defined herein shall have the same meaning as set forth in the Motion.

3. On June 18, 2009, Wynn Las Vegas obtained a judgment against Francis in the District Court of Clark County, Nevada, arising from unpaid gambling debts (the “Nevada Marker Judgment”). The court awarded Wynn Las Vegas \$2 million plus pre-judgment interest of \$838,356.00 and post-judgment interest accruing at the rate of \$986.30 per day. As of February 13, 2013, Wynn Las Vegas is owed \$3,923,597.23 on account of the Nevada Marker Judgment. The Nevada Marker Judgment is a final, non-appealable order.

4. On April 9, 2012, Wynn Las Vegas obtained a judgment against Francis in the District Court of Clark County, Nevada, on account of claims of defamation (the “Nevada Defamation Judgment”). The court awarded Wynn Las Vegas \$7.5 million, consisting of \$5 million in compensatory damages and \$2.5 million in punitive damages. As of February 13, 2013, Wynn Las Vegas is owed \$8,164,340.12 on account of the Nevada Defamation Judgment. The court denied Francis’s motion to set aside the Nevada Defamation Judgment entered by default and Francis has appealed the court’s denial of such motion.

5. On April 18, 2012, Wynn Las Vegas also commenced an action in the District Court for Clark County, Nevada, against GGW Direct, GGW Brands, GGW Events, Francis, and certain other individuals and entities (the “Alter Ego Litigation”). In the Alter Ego Litigation, the court first issued a temporary restraining order freezing nearly \$2 million of funds claimed to belong to GGW Brands and/or GGW Direct which were held in David Houston’s client trust account. On July 20, 2012, after finding that Wynn Las Vegas had demonstrated a substantial likelihood of prevailing on its alter ego claims, the Nevada court issued a preliminary injunction, continuing to freeze the funds held by Houston. On November 15, 2012, Wynn Las Vegas filed a motion for summary judgment in the Alter Ego Litigation, based in large part on Francis’s control of and financial dealings with the Debtors.

6. In the Alter Ego Litigation, Wynn Las Vegas conducted the equivalent of a Federal Rule of Civil Procedure 30(b)(6) deposition on the person designated by GGW Brands and GGW Direct to testify about their structure and their relationship with Francis. The companies designated Robert Klueger (“Klueger”), former counsel to the Debtors. True copies of excerpts of the transcript of the Deposition of Robert Klueger taken on June 22, 2012, are attached hereto as Exhibit A. In addition, true copies of excerpts of the transcript of the Deposition of Robert Klueger taken on August 28, 2012, is attached hereto as Exhibit B.

7. Wynn Las Vegas conducted a deposition of Christopher Dale on August 29, 2012 (the “Dale Depo.”). True copies of excerpts from the transcript of the Dale Depo. are attached hereto as Exhibit C.

8. Wynn Las Vegas also conducted a deposition of the Debtors’ acting “outside general counsel,” attorney Brian Rayment, on June 29, 2012 (the “Rayment Depo.”). True copies of excerpts of the transcript of the Rayment Depo. are attached hereto as Exhibit D.

9. Attached hereto as Exhibit E, is an American Express billing statement entitled “Platinum Card” for account ending 5-17003 in the name of Joseph R. Francis reflecting a closing date of October 18, 2011, and a balance of \$38,441.59. Exhibit E is a true copy of a document produced by the Debtors in response to certain requests for production of Wynn Las Vegas.

10. Attached hereto as Exhibit F is a document entitled “GGW Direct LLC – Transactions by Account, All Blue Horse Transactions.” Exhibit F is a true copy of a document produced by the Debtors in response to the certain requests for production of Wynn Las Vegas.

11. Wynn Las Vegas conducted an examination of David Houston on April 3, 2012 (the “Houston Exam”). True copies of excerpts of the transcript of the Houston Exam are attached hereto as Exhibit G.

12. Wynn Las Vegas conducted an examination of attorney Peter E. Garrell of Liner Grode Stein Yankelevitz Sunshine Regenstreif & Taylor, on April 2, 2012 (the “Garrell Exam”). True copies of excerpts of the transcript of the Garrell Exam are attached hereto as Exhibit H.

1           13. An examination of attorney Aaron Aftergood (“Aftergood”), also was taken by Wynn  
2 Las Vegas (the “Aftergood Exam”). During 2012, attorney Aftergood represented Francis in  
3 connection with Wynn Las Vegas’s efforts to collect on the Marker Judgment in California.  
4 Additionally, in 2012, Aftergood was Francis’s attorney of record in Stephen Wynn’s defamation  
5 action in California Superior Court, which included a nearly two week trial and post-trial motions.  
6 True copies of excerpts of the transcript of the Aftergood Exam are attached hereto as Exhibit I.

7           14. Attached hereto as Exhibit J is a true copy of an email string between and among  
8 Francis, GGW Brands, and DirecTV, Inc. (“DirecTV”), which was produced by DirecTV to Wynn  
9 Las Vegas in response to a subpoena.

10           15. Attached hereto as Exhibit K is a true copy of *Defendant, GGW Direct, LLC’s*  
11 *Certificate of Compliance Re Responses to Plaintiff’s Requests for Production of Documents* dated  
12 October 3, 2012.

13           16. Attached hereto as Exhibit L is a true copy of that certain Supplemental Declaration  
14 of Christopher Dale, dated December 21, 2012.

15           I declare under penalty of perjury that the foregoing is true and correct and that if called upon  
16 as a witness, I could and would competently testify thereto.

17           Executed this 21st day of March, 2013, at Los Angeles, California.

18  
19  
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21 \_\_\_\_\_  
22 MITCHELL J. LANGBERG  
23  
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**EXHIBIT A**

1 DISTRICT COURT, CLARK COUNTY, NEVADA  
2 WYNN LAS VEGAS LLC d/b/a/ WYNN LAS )  
VEGAS, a Nevada limited liability )  
3 company, )  
Plaintiff, )  
4 vs. ) No. A-12-660288-B  
5 GGW DIRECT, LLC, a Delaware )  
limited liability company; GGW )  
6 BRANDS, LLC, a Delaware limited )  
liability company; GGW EVENTS, )  
7 LLC, a Delaware limited liability )  
company; MANTRA FILMS, INC., a )  
8 suspended Oklahoma corporation; )  
BLUE HORSE TRADING, LLC, a )  
9 California limited liability )  
company; PEPE BUS, LLC, an )  
10 inactive Montana limited liability )  
company; SANDS MEDIA, INC., a )  
11 revoked Nevada domestic )  
corporation; JOSEPH R. FRANCIS, an )  
12 individual; DAVID R. HOUSTON, an )  
individual; and DAVID R. HOUSTON, )  
13 LTD., a Nevada professional )  
corporation, doing business as THE )  
14 LAW OFFICE OF DAVID R. HOUSTON, )  
Defendants. )  
15

16 DEPOSITION OF PERSON MOST KNOWLEDGEABLE OF  
17 KLUEGER & STEIN, LLP AND 30(b)(6) DESIGNEE OF  
18 GGW DIRECT, LLC AND GGW BRANDS, LLC  
19 ROBERT F. KLUEGER, ESQ.  
20 ENCINO, CALIFORNIA  
21 JUNE 22, 2012  
22 ATKINSON-BAKER, INC.  
23 COURT REPORTERS  
(800) 288-3376  
24 www.depo.com  
REPORTED BY: SUSAN ANN GRAHAM, CSR NO. 4885, RPR  
25 FILE NO.: A6062BB

DISTRICT COURT, CLARK COUNTY, NEVADA

WYNN LAS VEGAS LLC d/b/a/ WYNN LAS )  
VEGAS, a Nevada limited liability )  
company, )

Plaintiff, )

vs. )

No. A-12-660288-B

GGW DIRECT, LLC, a Delaware )  
limited liability company; GGW )  
BRANDS, LLC, a Delaware limited )  
liability company; GGW EVENTS, )  
LLC, a Delaware limited liability )  
company; MANTRA FILMS, INC., a )  
suspended Oklahoma corporation; )  
BLUE HORSE TRADING, LLC, a )  
California limited liability )  
company; PEPE BUS, LLC, an )  
inactive Montana limited liability )  
company; SANDS MEDIA, INC., a )  
revoked Nevada domestic )  
corporation; JOSEPH R. FRANCIS, an )  
individual, DAVID R. HOUSTON, an )  
individual; and DAVID R. HOUSTON, )  
LTD., a Nevada professional )  
corporation, doing business as THE )  
LAW OFFICE OF DAVID R. HOUSTON, )

Defendants. )

Deposition of ROBERT F. KLUEGER, ESQ., taken on  
behalf of Plaintiff, at 16000 Ventura Boulevard,  
Suite 1000, Encino, California, commencing at 9:00 a.m.,  
Friday, June 22, 2012, before Susan Ann Graham, CSR  
No. 4885, RPR.

A P P E A R A N C E S

FOR THE PLAINTIFF:

BROWNSTEIN HYATT FARBER SCHRECK

BY: MITCHELL J. LANGBERG, ESQ.

BY: ANDREW KONG, ESQ.

2029 Century Park East

Suite 2100

Los Angeles, California 90067-3007

FOR THE DEFENDANTS GGW DIRECT, LLC; GGW BRANDS, LLC; GGW  
EVENTS, LLC AND BLUE HORSE TRADING, LLC:

ECOFF BLUT LLP.

BY: ELLIOT S. BLUT, ESQ.

300 South Fourth Street

Suite 701

Las Vegas, California 89101

FOR THE DEFENDANT JOSEPH R. FRANCIS:

LAW OFFICES OF AARON AFTERGOOD

BY: AARON AFTERGOOD, ESQ.

1875 Century Park East

Suite 2230

Los Angeles, California 90067

I N D E X

WITNESS: ROBERT F. KLUEGER, ESQ.

EXAMINATION: PAGE

BY MR. LANGBERG 7

EXHIBITS:

NUMBER	PLAINTIFF'S DESCRIPTION	PAGE
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1 -	Documents Bates stamped CHASE03017-03022 and CHASE 03039-03065	94
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2 -	Documents Bates stamped RAYMENT0211-0213	104
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3 -	State of California, Secretary of State, Statement of Information, five pages	109
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4 -	Collection of documents, ten pages	137
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5 -	Letter dated March 12, 2012, two pages	138
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6 -	E-mail dated April 10, 2012	148
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7 -	Collection of checks, four pages	154
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QUESTIONS WITNESS INSTRUCTED NOT TO ANSWER:

PAGE	LINE
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143	15
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143	18
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INFORMATION TO BE SUPPLIED:

(None)

1 Q Okay. Did you ever -- Strike that. Do you  
2 represent Joe Francis?

3 A I did, yes.

4 Q -- individually?

5 A Yes.

6 Q Did you have an engagement letter with him?

7 A I did not have a separate engagement letter, no.

8 Q Was your -- Was your representation of him in  
9 your mind a -- just a natural consequence of your  
10 representation of GGW Direct and Brands?

11 A I think that would be a fair characterization,  
12 yes.

13 Q Were you ever an officer of GGW Direct or  
14 Brands?

15 A Remember that limited liability companies don't  
16 have officers; they have managers and members.

17 Q Fair enough. Were you -- Did you ever have any  
18 title with GGW Direct or Brands?

19 A Not that I recall, no.

20 Q I think you referenced October, I'm presuming of  
21 2011, as the time that you began your representation?

22 A Correct.

23 Q And again, I do want to be careful. Let me --  
24 Let me admonish you that we're in an obviously awkward  
25 position in that I'm asking you questions that tie to

1 your representation. So I'm going to sometimes be very  
2 careful to avoid even the appearance that I'm asking you  
3 for privileged matter.

4 A Thank you.

5 Q I'm sure that Mr. Blut will object because his  
6 view of the line might be different than mine. But I  
7 might belabor my questions sometimes for that purpose.

8 A I understand.

9 Q So without -- without telling me any  
10 communications you had regarding your representation, can  
11 you tell me who it was that first approached you to  
12 represent GGW Direct or Brands?

13 A Mr. Francis....

14 Q And again without any communications, can you  
15 tell me who signed the engagement letter with you on  
16 behalf of GGW Direct or GGW Brands?

17 A I believe that was Mr. Francis.

18 Q Can you tell me, is there any other person from  
19 GGW Direct or GGW Brands that you have interacted with  
20 for the purposes of the representation that you had from  
21 October of 2011 until about four weeks ago?

22 A Yes.

23 Q Who are those people?

24 A Well, there were any number of people. There  
25 was -- When I first started the engagement, there was a

1 CFO. Her name was Sarah something. I don't recall her  
2 last name. She was the CFO, and I dealt with her fairly  
3 extensively.

4 And then around Christmas, she left and her  
5 replacement I believe as CFO was Kevin Westberg. I dealt  
6 with him fairly extensively. But there are -- You know,  
7 I would be in meetings with people and there were other  
8 people there, a lot of people who worked there and I  
9 dealt with them.

10 Q Okay. When you were dealing with these people,  
11 again without telling me the communications you had, was  
12 your purpose to -- were these people supporting you in  
13 doing the work you needed to do or were these people --  
14 were you taking direction from these people?

15 A That's a -- That's a tough question. I mean,  
16 we're sitting around a table having a discussion. Am  
17 I --

18 Say that again.

19 Q Well, as a -- I'm going to give you just a  
20 hypothetical that's unrelated to this case that just  
21 might help clarify the purpose of the question.

22 So I might represent a corporate client and I  
23 take direction from the -- the chief -- the general  
24 counsel. But in order to execute what the general  
25 counsel has asked me to accomplish, I will have to speak

1 THE WITNESS: For example, there are --

2 MR. BLUT: -- let him ask. If we both  
3 missed the point, he'll reask it.

4 BY MR. LANGBERG:

5 Q All right. Without -- So -- So while I'm  
6 certainly not going to ask you about what the substance  
7 of communications were, maybe it would help if you gave  
8 me some examples of subject matters --

9 A Correct.

10 Q -- which are not privileged.

11 A Right. There are -- There are -- There were  
12 tax issues that resulted from prior litigation. Okay?  
13 And in order --

14 MR. BLUT: I think other than tax issues --

15 THE WITNESS: Well, that's an example I can  
16 think of.

17 MR. BLUT: Okay. I understand, but I  
18 don't -- we don't want you to reveal what -- what they --  
19 they were. He can get the umbrella category. That, he's  
20 entitled to.

21 THE WITNESS: Okay.

22 MR. BLUT: But you can't tell him the  
23 substance because that's the privileged information.

24 BY MR. LANGBERG:

25 Q Was -- Was most of your work tax-related or

1 were there --

2 A No.

3 Q -- other business matters?

4 A Most -- Only a minority of it was tax-related.

5 Q Can you tell me some of the subject matters  
6 of -- of what you would consider general business matters  
7 that you assisted on?

8 A Sure.

9 Q Thank you.

10 A One that comes to mind, I'm in a long meeting --

11 Q Just the subject matter.

12 MR. BLUT: He can only know about the  
13 subject. He's not entitled to know anything else.

14 THE WITNESS: The subject matter was  
15 required disclosure on a -- a website.

16 BY MR. LANGBERG:

17 Q Was Mr. Francis involved in that meeting?

18 A Yes.

19 Q Can you give me another subject matter?

20 A -- another subject matter other than -- other  
21 than -- other than tax matters?

22 Q Yes, sir.

23 A -- and other than litigation?

24 Q Yes, sir. What you would consider your -- what  
25 sounds like your primary role as kind of an outside

1 business legal advisor.

2 A I assisted in the establishment of banking  
3 relationships.

4 Q And was Mr. Francis involved in -- in that  
5 process?

6 A Yes.

7 Q Was he the final decision maker in that process?  
8 Again, without communicating the substance, I'm going to  
9 presume -- tell me if I'm wrong -- you would either make  
10 recommendations that would be accepted or you would  
11 follow somebody's instructions and execute them -- is  
12 that correct? -- regarding the making of banking  
13 relations.

14 A I dealt with Joe Francis on -- on establishing  
15 the bank accounts. I mean --

16 Q Okay. Who picked which banks?

17 A I made suggestions for the -- for the bank and  
18 they were accepted.

19 Q -- by Mr. Francis?

20 A Yes.

21 Q And this meeting regarding website disclosures,  
22 from the business-person perspective, who was the final  
23 decision maker to accept or reject your recommendations?

24 A There were no recommendations. It was a long  
25 meeting with a -- with a room full of people kicking

1 around what needed to be disclosed.

2 Q Too much.

3 A Sorry.

4 Q No, no. I don't want to get anybody in trouble.

5 Well, only one person.

6 Who was leading that meeting, if anybody?

7 A Nobody....

8 Q Mr. Francis was actively involved?

9 A Yeah.

10 Q Okay. So besides banking relationships --  
11 establishing banking relationships and this meeting  
12 regarding web disclosures, can you give me another  
13 example of a business-attorney-related subject matter  
14 that you were involved in?

15 A -- that didn't involve taxes or litigation.  
16 I'll probably think about 12 at 2:00 in the morning.

17 Q We won't be here quite that late.

18 A No. I don't know why I'm drawing a blank. Why  
19 don't you go on and I'll think of more.

20 Q Okay. I'll come back after a break or something  
21 to the same question.

22 A Okay.

23 Q And Mr. Blut will object that it's asked and  
24 answered, but it's okay.

25 It -- What subject matters did you represent

1 A Well, technic- --

2 MR. BLUT: I'll just object. I think that  
3 calls for the substance of the representation by --  
4 because by asking -- by saying he wasn't doing the  
5 companies', I think you're asking him, What specific tax  
6 things was he doing?

7 MR. LANGBERG: Well, I'm not asking what the  
8 specific taxes -- I just want to know, When he was  
9 dealing with tax things, that were they Mr. Francis's tax  
10 things or not?

11 THE WITNESS: Well, as you said --

12 MR. LANGBERG: Subject matter.

13 THE WITNESS: As you said, they are  
14 pass-through entities. And so --

15 MR. LANGBERG: Okay.

16 MR. BLUT: But I guess just before you  
17 indicate what was internally in that -- If there's a  
18 determination, for example, of something as a business  
19 expense, that's the specific -- that would be the  
20 specific representation of the specific work that he's  
21 doing. And I think that's getting into attorney/client  
22 or taxpayer privilege. I -- I --

23 MR. LANGBERG: I don't understand it, but  
24 I'm going to move on.

25 MR. BLUT: Okay.

1 MR. LANGBERG: I don't need to understand.

2 Q Would you -- Are you -- Are you the person  
3 that would have the most knowledge regarding the  
4 formation and setup of GGW Direct, LLC?

5 A I don't know. You're asking me, Is there  
6 somebody else who might have knowledge superior to mine?  
7 I don't know.

8 Q Is there -- Is there anybody that you're aware  
9 of that has knowledge superior to yours?

10 A No.

11 Q And with regard to GGW Brands, is there anybody  
12 that has knowledge superior to yours about the formation  
13 and setup of the company?

14 A Not that I know of.

15 Q And the knowledge that you have is knowledge  
16 that you've accumulated after the fact. Correct? That  
17 is, you weren't involved in the actual setups?

18 A That is correct.

19 Q When you were -- What does -- What does GGW  
20 Direct do?

21 A GGW Direct is an operating company. It produces  
22 videos.

23 Q And what -- what does GGW Brands do?

24 A GGW Brands is a holding company that owns  
25 GGW Direct, GGW Events, and GGW Magazine.

1 Q Does GGW Brands own any other companies?

2 A Well, at one point it owned GGW Marketing. But  
3 I think it's essentially a defunct entity. I don't think  
4 it does any business.

5 Q Any other companies that Brands owns?

6 A Not that I recall.

7 Q And when you say "owns," just to be -- to be  
8 clear, Brands is an LLC. Correct?

9 A Correct.

10 Q And Brands is the sole member of GGW Direct and  
11 the other companies you say that it owns. Correct?

12 A That's correct.

13 Q And it's also the sole manager of those  
14 companies. Correct?

15 A No. They have no managers there. They're  
16 member-managed companies.

17 Q Oh, right. Thank you.

18 And who -- Is GGW Brands also a member-managed  
19 company?

20 A It is. Is -- GGW Brands is a member-managed  
21 company.

22 Q And how many -- how many -- how many members  
23 manage it?

24 A One.

25 Q And who is the member manager of GGW Brands?

1 A It's a company that I established, Pablo  
2 Holdings, LLC.

3 Q And Pablo Holdings, LLC, is an LLC of some  
4 country that I can never pronounce correctly. What  
5 country is that?

6 A "Nevis."

7 Q "Nevis." Have you been?

8 A No.

9 Q And is that a member-managed company as well?

10 A It is not. It is a manager-managed company.

11 Q Okay. Who is the manager of Pablo?

12 A Mr. Francis is....

13 Q And who are the members of Pablo?

14 A Who is the owner of -- Who is the member of  
15 Pablo? It is a trust.

16 Q Do you happen to know the name of the trust?

17 A It's the Ridgewood Global Trust.

18 Q And -- Boy, now you're testing my gifts, wills,  
19 and trusts right now. The trust had a -- Well, what  
20 country is the trust in?

21 A Under what law is the trust established?

22 Q Yes.

23 A -- under the laws of the Cook Islands.

24 Q I don't know how far gifts, wills, and trusts is  
25 going to get me.

1           So we've got beneficiaries because there is a  
2 trust.

3           A     Yes.

4           Q     Who are the beneficiaries of that trust?

5           A     I can tell you who the -- Going back to your  
6 knowledge of wills and trusts, I can recall who was the  
7 the settler of the trust. I can recall who was the  
8 trustee of the trust. As I sit here, I don't recall who  
9 the beneficiaries are.

10          Q     Who is the settler?

11          A     Mr. Francis....

12          Q     Who are the trustees?

13          A     There is only one trustee.

14          Q     Who is that?

15          A     It's a trust company in the Cook Islands, Asia  
16 Trust Limited.

17          Q     But you don't remember who the beneficiary is?

18          A     Off the top of my head, no.

19          Q     Do you know if it's an entity, trust, or person?

20          A     I -- I -- I -- I mean, I would assume that  
21 Mr. Francis is -- is at least one beneficiary of the  
22 trust.

23          Q     Do you know what kind of trust it is?

24          A     Yes.

25          Q     What kind?

1 A It's a grantor trust.

2 (Discussion held off the record.)

3 BY MR. LANGBERG:

4 Q Has -- Does GGW Direct -- Sorry.

5 Do the various LLCs owned by GGW Brands make  
6 distributions to GGW Brands?

7 Strike that.

8 A No, no, no. I --

9 Q Yeah. Don't strike that. I want to make sure  
10 that's the proper language for your world. Right?

11 A No, you -- you -- The answer is -- If your --  
12 If your question is, Do they make a physical distribution  
13 by handing somebody a check? No, but the distribution is  
14 made by -- by means of a book entry.

15 Q Okay. And then has Brands made distributions to  
16 Pablo?

17 A No. Pablo was only created in October of 2011.

18 Q Who was or were, depending, the managers and  
19 members of Brands immediately prior to your creation of  
20 Pablo?

21 A Don't say "managers." There were no managers.  
22 Okay?

23 Q Well, but I didn't know that --

24 A Oh, okay.

25 Q Right?

1 knew what the objective was. And we had -- we had a goal  
2 to fulfill. We were having difficulties with these two  
3 distributors and they needed to be ironed out.

4 Q Was there ultimately a contract with these two  
5 distributors?

6 A I don't know. I mean, I think that Aaron -- I  
7 think I was counseling to Aaron, I think it's fair to  
8 say; and I think he may have had more of the laboring oar  
9 than I did. I don't -- As I sit here, I don't know.

10 Q So you don't know whether a documented was  
11 executed?

12 A I don't.

13 Q Okay. With regard to the fulfillment house  
14 issue that you dealt with for a short period of time, was  
15 that a -- was that bringing a fulfillment house in,  
16 terminating a fulfillment house, or something different?

17 A I have to tell you my -- my dealing with that  
18 was so tangential I don't even remember.

19 Q Okay.

20 A It could have been, you know, one or two  
21 telephone calls.

22 Q Focusing back on this idea of acting as the  
23 business attorney for the company and how you had  
24 dealings with various people at the company, tell me  
25 other subject matters that you dealt with Mr. Francis on.

1 A Well, again, I -- I -- You know, it's  
2 interesting. You -- You bring up these areas and you  
3 refresh my recollection.

4 Q That's my job. We can come back to it if you  
5 don't remember.

6 A Yeah. As we go through this, I'll probably --  
7 I'll probably think of -- of -- of more.

8 Q I might even help. You never know.

9 A That would be good.

10 Q As it relates to -- Going back to the  
11 operational aspects of the companies, as it relates to  
12 the hiring and firing of employees, are you the person  
13 most knowledgeable about that process?

14 A No.

15 Q Have you been involved in the hiring or firing  
16 of any employees at any of GGW Direct, Brands, Events,  
17 Magazine?

18 A No.

19 Q Do you know who does hire and fire people?

20 A I don't.

21 Q Okay. Have you ever heard about Joe hiring --  
22 Sorry. Have you ever heard about Mr. Francis hiring or  
23 firing anybody at GGW Direct or Magazine or Brands or  
24 Events?

25 A Yes.

1 Q What did you hear about?

2 A I know that he hired Kevin Westberg. And I know

3 that he terminated his predecessor.

4 Q Okay. And when you say --

5 MR. BLUT: I'm just saying, How do you know

6 that? Do you know that from a client communication?

7 THE WITNESS: Oh, I'm sorry. Yes.

8 MR. LANGBERG: He's been -- Again, he's

9 been designated.

10 THE WITNESS: That's -- Yes.

11 MR. LANGBERG: Keep thinking about the

12 designations. We'll come back to it.

13 Make a list of the things we're

14 coming back to so I can come back to it as we talk about

15 it.

16 MR. BLUT: Belated motion to strike subject

17 to further conversation on attorney/client privilege.

18 BY MR. LANGBERG:

19 Q Have you ever observed Mr. Francis hire or fire

20 somebody?

21 A No.

22 Q As it relates to the marketing aspects of GGW

23 Brands, Direct, Magazine, or Events, are you involved

24 with that operational aspect of the companies?

25 A Tangentially, yes. Certainly, when you're

1 dealing with contractual relationships with two major  
2 distributors, the answer is yes, I was.

3 Q By the way, during your tenure as counsel, are  
4 there any agreements that you've been involved with that  
5 were executed by either GGW Brands, Direct, Magazine, or  
6 Events?

7 A Do you mean was I -- did I see any of those  
8 entities execute an agreement? Is that your -- Is that  
9 your question?

10 Q Yeah. I don't literally mean that you actually  
11 saw the person signing it; but yes, that you -- you were  
12 around and maybe involved in the company entering into  
13 agreements with anybody.

14 A Well, as -- as I said, I'm not sure if they came  
15 to a final resolution with those two distributors. Aaron  
16 would know that. But I was involved in the negotiations.  
17 I mean I was personally involved in the negotiations.

18 Q Any others?

19 A Well, yeah. I'll think about it at 2:00 in the  
20 morning. I mean, I wouldn't have thought of those --  
21 those two vendors -- those two distributors if you hadn't  
22 reminded me. Let me think about it.

23 Q Okay. While you're thinking about it, maybe  
24 I'll ask a different question that might refresh your  
25 recollection.

1 personal bills to be paid?

2 A Not that I recall.

3 MR. LANGBERG: Okay. Shall we -- Perhaps  
4 just -- If you don't want to, we don't have to. But  
5 perhaps we should take a 10-minute break because we've  
6 been going for a while.

7 MR. BLUT: Sure. That's fine.

8 (A short break was taken.)

9 MR. LANGBERG: All right. Back on the  
10 record whenever --

11 THE REPORTER: Ready.

12 MR. LANGBERG: Thanks. Can you just read me  
13 back whatever the last answer was?

14 THE REPORTER: Sure.

15 (The reporter read the record as follows:

16 "A Not that I recall.")

17 MR. LANGBERG: Okay. Can you read me the  
18 question?

19 (The reporter read the record as follows:

20 "Q Have you ever arranged for Mr. Francis's  
21 personal bills to be paid?")

22 BY MR. LANGBERG:

23 Q Okay. Going back to something you mentioned,  
24 Mr. Klueger, I asked you if Brands had made any  
25 distributions to Pablo and you said, "Not yet. It was

1 just formed in October." Is -- Is the timing of  
2 distributions defined in -- Well, strike that. Is the  
3 timing of distributions an annual basis?

4 A It's not an easy question to answer. Again, as  
5 I said, if you -- if a distribution is defined by you as  
6 somebody handing him a check, I doubt very much that that  
7 would ever happen. Okay? It would be a book entry that  
8 a distribution had been made for his account.

9 Q Okay. I -- Maybe I -- Either I'm confused or  
10 I misspoke. I understand that for distributions from  
11 Direct, for example, to Brands it's a book entry. From  
12 Brands to its member Pablo, that would be a physical  
13 transaction, wouldn't it?

14 A No. It doesn't need to be because, remember,  
15 both Brands and Pablo are disregarded entities.

16 Ultimately, Mr. Francis has to pick up the income of  
17 these entities, the net income whether they are  
18 distributed to him or not. So there certainly does not  
19 have to be a -- and as I suspect would not be -- a  
20 physical distribution to him.

21 Q Forgive my ignorance in this business matter.  
22 How -- In this entity or any entity, how does the  
23 ultimate owner get access to the money if the company is  
24 profitable and distributing?

25 MR. BLUT: I'm just going to object. I

1 don't think he's designated as an expert. Maybe confine  
2 it to this for me, please.

3 MR. LANGBERG: Sure.

4 MR. BLUT: I'm sure you can.

5 BY MR. LANGBERG:

6 Q In this -- In this case, how does the ultimate  
7 owner, which is the trust or the beneficiary of the trust  
8 that owns Pablo which owns Brands which owns Direct,  
9 access the money if it's a profitable endeavor?

10 A I -- I -- I think I can answer that. And again,  
11 this is done by virtue of book entries that are -- that  
12 are kept. Okay? The owner is designated as receiving a  
13 notional salary. Okay?

14 I used to know -- I think it's -- Oh, don't  
15 hold me to this. I think it's something like 40,000 a  
16 month or 50,000 a month and so forth. Okay?

17 As distributions are made for his benefit, there  
18 is a ledger that is kept that says this -- this is --  
19 this payment has been made, this payment has been made,  
20 this payment has been made. It's done fairly common in  
21 the entertainment business. Okay? And at the end of the  
22 year, you take that ledger -- the individual takes that  
23 ledger and that's how he pays his taxes. It is --  
24 It's -- It's people in the entertainment business, they  
25 have loan-out companies -- right? -- and the studio will



1 make payments for, you know, an individual that the  
2 studio engages through their loan-out company. And at  
3 the end of the year, you get a statement from which you  
4 pay your taxes.

5 Q Yes, but -- Wow, Charlie Sheen --

6 A That's a good example.

7 Q But Charlie Sheen can access -- You know, his  
8 loan-out company gets paid by the studio and then he can  
9 access cash to go buy a car if he wants to. Okay? So  
10 the question is, How in the chain of the owners and  
11 sub-owners of GGW Direct and GGW Brands does the ultimate  
12 owner get money?

13 A Like I said, you used a good example of an  
14 actor. You know, Charlie Sheen, you know, if he -- if he  
15 has a loan-out company -- I personally don't know if he  
16 does; but if he has a loan-out company, you know, and the  
17 studio will, you know -- If there's a plane ticket that  
18 has to be purchased, you know, the studio purchased the  
19 plane ticket, you know, put it on a ledger. You know, at  
20 the end of the quarter or at the end of the year, they'll  
21 send a ledger to the loan-out company and the individual  
22 will pick it up as income. It's fairly common.

23 Q And the same thing if -- Okay. Got it. So --  
24 So the reconciliation, for lack of a better word, that --  
25 Strike that.

1 A No, that is -- that's a good word because that's  
2 what's done.

3 MR. BLUT: Let him ask.

4 BY MR. LANGBERG:

5 Q Well, there's -- there's -- First, you used a  
6 term that I wasn't familiar with. You didn't say  
7 "nominal income." You said...?

8 A -- the notional income.

9 Q "Notional." What's "notional"?

10 A Well, I believe that -- that Mr. Francis has a  
11 salary -- is salaried by GGW Brands. Okay? Let's say  
12 it's -- I don't recall. I think it's either 40,000 or  
13 50,000 a month. Okay?

14 So let's assume it is 40,000 a month. Okay?  
15 During -- Let us assume that during the year -- Let's  
16 assume it's 40,000 a month or 480,000 a year. Okay? If  
17 the company makes payments of \$479,000 during the year  
18 for his benefit, they will owe him a thousand dollars at  
19 the end of the year. If they make payments for his  
20 benefit of \$481,000, he will owe the company a thousand  
21 dollars at the end of the year.

22 Obviously, they're not going to dun him for the  
23 thousand dollars; they'll carry it over to the next  
24 reporting period. It's done by a ledger that the company  
25 keeps on his behalf.

1 Q Now, if they owe \$50,000 at the end of the year,  
2 how do they reconcile that or pay it?

3 A Well, again, I -- I -- I'm assuming that they  
4 would simply carry it over for the next year. They're  
5 not going to dun him for it.

6 Q No, if they owed him \$50,000 at the end of the  
7 year...? So if --

8 A If the company -- If the company owed him  
9 \$50,000 a year, would he demand that they send him a  
10 check? I don't think so, as a practical matter.

11 Q Okay. I got it. Okay. All right.

12 Do you know what Mantra Films is?

13 MR. BLUT: -- other than what he already  
14 said?

15 MR. LANGBERG: I'm sorry. I don't -- I  
16 honestly don't remember that we discussed Mantra Films.  
17 I apologize.

18 THE WITNESS: I do have a -- some knowledge  
19 of Mantra Films.

20 BY MR. LANGBERG:

21 Q Oh, I do remember. By the time you came around,  
22 it was already a nonoperating entity. Correct?

23 A I believe that's true, yes.

24 Q Do you know what its status is with the State of  
25 California?

1 Q Right.

2 A No.

3 MR. BLUT: No guessing.

4 BY MR. LANGBERG:

5 Q By the time that you came on the scene -- Well,  
6 strike that.

7 I'm trying to save some pain for you because I  
8 can just ask them perhaps. Do you know who somebody  
9 named Regina Jones is?

10 A Regina Jones, is she somebody who works at  
11 Boulevard Management?

12 Q She does. That's my understanding. Do you know  
13 of her?

14 A She's someone who works at Boulevard Management.

15 Q Do you know what relationship she had with GGW  
16 Brands or its subsidiaries, if any?

17 A No.

18 Q There is a house that Mr. Francis lives in  
19 located on 1111 -- that is, 11-11 -- Bel Air Place. You  
20 knew that. Correct?

21 A Correct.

22 Q Do you know who owns that house?

23 A I do.

24 Q Who owns that house?

25 A Blue Horse Trading, LLC.

1 Q And how did you come to that understanding?

2 A When I was initially engaged, they sent over a  
3 file of the incorporation, the organizational documents  
4 of Blue Horse Trading, and I read them.

5 Q Do you know who the members and/or managers of  
6 Blue Horse Trading are?

7 A Mr. Francis....

8 Q And do you know what Blue Horse Trading is or  
9 does?

10 A Yes. It holds his personal assets.

11 Q Does it hold assets other than the 1111 Bel Air  
12 Place home?

13 A Well, if he had -- I -- I -- As I recall from  
14 that file, I believe it owns his securities. You know,  
15 if you have a brokerage account like if you have an  
16 ETrade account or whatever it's in its name.

17 Q Do you know how -- From your review of the  
18 files, do you know how those assets got to Blue Horse  
19 Trading?

20 A No.

21 No, wait. I take it back. I do. I do.

22 Q Oh, okay.

23 A With respect to the house, I -- I recall seeing  
24 the -- that Blue Horse Trading acquired the house.

25 Q Did you notice from the file that there had been

1 a transfer of the house from Blue Horse Trading to  
2 Mr. Francis and then back again at some point?

3 A No.

4 Q Do you know anything about Mr. Francis taking --  
5 Strike that. Yes. I'm sorry.

6 Do you know anything about Mr. Francis taking  
7 out a mortgage in his own name on the house on Bel Air  
8 Place?

9 A I'm aware that there is a mortgage, a deed of  
10 trust on -- on -- on the residence.

11 Q Okay. Do you understand that the deed of trust  
12 is --

13 Hang on. I've got to think of the names, the  
14 mortgagee?

15 A No, the mortgagor.

16 Q "Mortgagor." Do you understand the mortgagee is  
17 currently Chase Bank?

18 A Oh, yeah. The lender is the mortgagee, Chase  
19 Bank.

20 Q And the mortgagor is Joe Francis?

21 A I'm not surprised because most banks will not  
22 lend to a limited liability company, which would explain  
23 why he took it out of the limited liability company in  
24 order to close the loan and then put it back.

25 MR. BLUT: If he did, although you haven't

REPORTER'S CERTIFICATE

I, SUSAN ANN GRAHAM, CSR No. 4885, RPR, a  
Certified Shorthand Reporter, certify;

That the foregoing proceedings were taken  
before me at the time and place therein set forth, at  
which time the witness was put under oath by me;

That the testimony of the witness, the  
questions propounded, and all objections and  
statements made at the time of the examination were  
recorded stenographically by me and were thereafter  
transcribed;

That the foregoing is a true and correct  
transcript of my shorthand notes so taken.

I further certify that I am not a relative  
or employee of any attorney of the parties, nor  
financially interested in the action.

I declare under penalty of perjury under  
the laws of California that the foregoing is true and  
correct.

Dated this 25th day of June, 2012.

Susan Ann Graham  
SUSAN ANN GRAHAM, CSR No. 4885, RPR

1 REPORTER'S CERTIFICATE OF CERTIFIED COPY

2  
3  
4  
5 I, SUSAN GRAHAM, CSR No. 4885, RPR, a  
6 Certified Shorthand Reporter in the State of  
7 California, certify that the foregoing pages, 1  
8 through     , constitute a true and correct copy of  
9 the original deposition of Robert F. Klueger, Esq., taken on  
10 June 22, 2012.

11 I declare under penalty of perjury under  
12 the laws of California that the foregoing is true and  
13 correct.

14  
15 Dated this 25th day of June, 2012.

16  
17 Susan Ann Graham  
18 SUSAN ANN GRAHAM, CSR No. 4885, RPR  
19  
20  
21  
22  
23  
24  
25

**EXHIBIT B**

Deposition of Robert Klueger

Wynn vs. Francis

1 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
2 COUNTY OF LOS ANGELES  
3  
4 STEPHEN A. WYNN, )  
5 Plaintiff, )  
6 vs. ) No. BC438884  
7 JOSEPH RAYMOND FRANCIS, an )  
8 individual, )  
9 Defendant. )  
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VIDEOTAPED DEPOSITION OF ROBERT KLUEGER

Encino, California

Tuesday, August 28, 2012

REPORTED BY:  
MICHELLE M. CADWELL  
CSR NO. 11261  
JOB NO. 585450

Deposition of Robert Klucger

Wynn vs. Francis

1 VIDEOTAPED DEPOSITION OF ROBERT KLUEGER, taken  
2 by plaintiff at 16000 Ventura Boulevard, Suite 1000,  
3 Encino, California, on Tuesday, the 28th day of August  
4 2012, at 10:38 a.m., before MICHELLE M. CADWELL, Certified  
5 Shorthand Reporter for the State of California.

6 \* \* \*

7 APPEARANCES:

8 FOR PLAINTIFF:

9 BROWNSTEIN HYATT FARBER & SCHRECK  
10 BY MITCHELL J. LANGBERG, ESQ.  
ANDREW KONG, ESQ.  
2029 Century Park East, Suite 2100  
11 Los Angeles, California 90067  
(310) 500-4600  
12

13 FOR DEFENDANT:

14 THE AFTERGOOD LAW FIRM  
BY AARON AFTERGOOD, ESQ.  
15 1875 Century Park East, Suite 2230  
Los Angeles, California 90067  
16 (310) 551-5221

17 ALSO PRESENT:  
18

19 Chuck Perry, Videographer  
20  
21  
22  
23  
24  
25

Deposition of Robert Klueger

Wynn vs. Francis

1	I N D E X	
2	Witness: Robert Klueger	
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4	EXAMINATION:	PAGE
5	By Mr. Langberg	5
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Deposition of Robert Klueger

Wynn vs. Francis

1 shorter proceeding than last time. What I intend to do  
2 is ask you questions. Generally, a lot of them will be  
3 the same as the prior proceeding; it's just we need to  
4 preserve the record here. Some of it will be to refresh  
5 your recollection or my recollection on issues.

6 And then I'll come back and kind of go over  
7 them in a way that is consistent with testimony that  
8 might be presented to a jury. I think that's going to  
9 be the way to get us out of here the quickest.

10 Do you understand?

11 A Okay.

12 Q All right. Do you understand that Mr. Francis  
13 is -- well, strike that.

14 Your representation of GGW entities ended  
15 earlier this year; correct?

16 A It did.

17 Q All right. Do you recall approximately what  
18 month?

19 A I believe approximately May of this year.

20 Q Okay. And based on your relationship with  
21 those entities and Mr. Francis, do you know whether  
22 Mr. Francis was compensated by either GGW Direct or GGW  
23 Brands?

24 A In what period of time?

25 Q At any time.

Deposition of Robert Klueger

Wynn vs. Francis

1 A He was.

2 Q Okay. And how was he compensated by either of  
3 those entities?

4 A The usual procedure was that one or more of  
5 the entities would pay his expenses. He would run up  
6 credit card bills, and the entities would directly pay  
7 his credit card bills or other similar personal  
8 expenses. He would run up the bills. The entities  
9 would pay it. And at the end of the year, they would  
10 add it up. And the extent to which they had paid his  
11 expenses, that would constitute compensation to him, and  
12 he would pay taxes based on his compensation.

13 Q Okay. You said "the usual way." Were there  
14 other ways that they compensated him?

15 A Not that I'm aware of.

16 Q Okay. Which entities that you know of paid  
17 Mr. Francis compensation in that manner?

18 A I can't -- I can't say that I know. I believe  
19 it's GGW Direct, but don't hold me to that.

20 Q Okay. Do you remember recently signing a  
21 declaration for use in some injunction proceedings in  
22 Nevada?

23 A Yes.

24 Q And at the time that you signed that  
25 declaration, did you believe that the contents were

Deposition of Robert Klueger

Wynn vs. Francis

1 true?

2 A Of course.

3 Q Did -- was that declaration prepared for you  
4 and then you reviewed it to determine if it was  
5 accurate, or did you prepare it yourself?

6 A It's the former.

7 Q Somebody else prepared it and you reviewed it?

8 A Yes.

9 Q And when it was prepared for you and you first  
10 reviewed it, did you have to make some changes to it at  
11 all?

12 A I believe I did, yes.

13 Q Do you recall the nature of the changes that  
14 you made?

15 A No.

16 Q Okay. If I showed you the document that  
17 ultimately was filed, would you be able to identify  
18 which areas of inquiry or testimony were changed?

19 A No.

20 Q Was information provided to you for you to  
21 become knowledgeable so that you could sign the  
22 declaration?

23 A You mean did I have to look at documents in  
24 order to sign the declaration?

25 Q That's a better question. That it's not

Deposition of Robert Klueger

Wynn vs. Francis

1 A Yes.

2 Q And do you understand that to be a true fact?

3 A I have no reason to contradict it. I just --  
4 it's whether he was compensated by GGW Brands or GGW  
5 Direct is now outside of my recollection. I just don't  
6 recall.

7 Q Okay. Other than GGW Brands and/or GGW  
8 Direct, are there any other entities that you know of  
9 that pay Mr. Francis compensation?

10 A No.

11 Q And for clarity, the time period I mean is  
12 ever.

13 A The answer is no.

14 Q Okay. From your description today, do I  
15 understand correctly that his compensation for the year  
16 would typically be determined at the end of the year;  
17 that is, this is how much expenses were paid and that  
18 amounts to what his compensation is?

19 A By the way, I need to go back. I just  
20 reminded myself of something in one of your previous  
21 questions.

22 I believe -- I believe that the company also  
23 paid his -- the home expenses, the home mortgage. I'm  
24 not certain of that, but I believe that to be true. You  
25 probably know this better than I do. But I believe that

Deposition of Robert Klueger

Wynn vs. Francis

1 to be true.

2 Q If I could testify to the jury on the subject,  
3 then we would have an easier time with it.

4 A Right.

5 Q Your understanding is that either GGW Direct  
6 or GGW Brands pays the mortgage directly?

7 A I believe so.

8 Q Okay. And that would also be accounted for as  
9 an expense?

10 A As a form of compensation.

11 Q Okay.

12 A Right.

13 Q So is the situation that at the end of the  
14 year -- strike that.

15 At least as you understood it was set up, was  
16 the situation that at the end of the year, as an  
17 accounting matter, somebody would go back, look at what  
18 expenses were paid over the course of the year, and that  
19 would determine what the compensation for the year was  
20 and what taxes would be paid on?

21 A That's essentially correct.

22 Q As opposed to it being a set amount?

23 A It was -- it was represented to me that there  
24 actually was an amount of compensation but that the  
25 expenses that they paid exceeded that amount so the

Deposition of Robert Klueger

Wynn vs. Francis

↑ 1 amount became irrelevant. His compensation was what  
2 they paid.

3 Q As far as you know, did those companies, for  
4 lack of a better word -- I don't mean this in the most  
5 artful form -- retain any earnings on an annual basis?

6 A Well, it is an inartful way of putting it --

7 Q Let me ask --

8 A -- because I'm not so sure a limited liability  
9 company can have retained earnings.

10 Q So let me ask a better question --

11 A Yeah.

12 Q -- in the form of an LLC.

13 But let me -- for background -- and we'll  
14 clean this up later.

15 But your representation began in October 2011?

16 A Correct.

17 Q Okay. And these being LLCs, I'm presuming  
18 they operated on a normal calendar year; correct?

19 A They did.

20 Q Fiscal calendar year?

21 A They did.

22 Q So you were involved in these companies  
23 through closing calendar year 2011; correct?

24 A I was involved in them through May of 2012.

25 Q Right. So at the time of the closing of

Deposition of Robert Klueger

Wynn vs. Francis

1 calendar 2011, the fiscal aspect of it, you were  
2 involved in the companies, just by --

3 A Yes.

4 Q Okay. As LLCs, GGW Direct and GGW Brands,  
5 they distributed -- strike that.

6 At the end of 2011, did either of those  
7 companies have any money to distribute to its members?

8 A I don't know that, because those entities  
9 would not have to file the tax returns -- or the tax  
10 attributable to the earnings would not have to be  
11 reported until Mr. Francis has to complete his personal  
12 return on October 15th of 2012.

13 Q You understood him to get an extension?

14 A I'm pretty certain of that, yes.

15 Q Okay. But you were familiar with --  
16 generally, with the books and records of GGW Direct and  
17 Brands, the financial books and records; correct?

18 A To a certain extent, yes. Because I was  
19 involved in the preparation of the returns that were due  
20 October 15th, 2011.

21 Q Okay. Well, then let's go back to the ones  
22 that were due on October of 2011, which pertained to  
23 fiscal and calendar year 2010.

24 A Right.

25 Q Were there any monies that were distributed to

Deposition of Robert Klueger

Wynn vs. Francis

1 members of GGW Direct? Let's start with that -- well,  
2 let's back up.

3 GGW Brands was the sole member of GGW Direct;  
4 correct?

5 A Correct.

6 Q Was any money distributed to GGW Brands in  
7 year 2010?

8 A I doubt it very much.

9 Q Okay. Because your understanding was that  
10 whatever money that there would have been to distribute  
11 was paid to Mr. Francis in the form of compensation  
12 which was offset by expenses; correct?

13 A No, no. The reason that they would not have  
14 made a distribution is that Mr. Francis is subject to  
15 the profits, the net profits, of the entities whether  
16 they're distributed or not. So there's no need to  
17 distribute it. I mean, if there is a net profit, it's  
18 allocated to him and reported on his taxes.

19 Q Okay. Let's try this then. Was there a net  
20 profit for GGW Direct in calendar year 2010?

21 A I don't recall.

22 Q Okay. Let me help. To the extent that they  
23 paid compensation, that would come out of income before  
24 the determination and net profits; correct?

25 A Of course.

Deposition of Robert Klueger

Wynn vs. Francis

1 Q Okay. So if the company had made a million  
2 dollars but paid a million dollars in compensation,  
3 there would be zero net profit?

4 A Correct.

5 Q So is your understanding that after all of  
6 their expenses, GGW Direct distributed -- sorry, had  
7 paid all of its income in the form of compensation to  
8 Mr. Francis leaving it with zero net profit?

9 A No, I understand the question. I just don't  
10 know the answer.

11 Q I was just trying to remind you.

12 A No, I don't know the answer --

13 Q Okay.

14 A -- whether on -- whether his personal taxes  
15 would reveal an allocation of net income, I don't know.

16 Q We're going to get to the corporate form,  
17 because ultimately it wouldn't be Mr. Francis's personal  
18 taxes that would reveal any net profits for GGW Direct;  
19 correct?

20 A Yes, it would. It would be only his personal  
21 taxes.

22 Q Well, who's the member -- the sole member of  
23 GGW Direct is GGW Brands; correct?

24 A The sole member of GGW Direct is GGW Brands.

25 Q The sole member of GGW Brands is a company

Deposition of Robert Klueger

Wynn vs. Francis

1 as business expenses or personal expenses?

2 A I don't recall.

3 Q Okay. So this compensation that Mr. Francis  
4 received from GGW Direct or GGW Brands, that was -- I  
5 guess we could put together your testimony -- more than  
6 40- or \$50,000 a month, since you say expenses exceeded  
7 what the designation was.

8 Do you know what he was being compensated for?

9 A Do you mean what was his job title?

10 Q I'm asking what -- do you know what the reason  
11 these companies were compensating him?

12 A You know, I forgot that title at the prior  
13 deposition, and you reminded me of it, and I've  
14 forgotten it now.

15 Q Forget about titles for a minute. Do you know  
16 whether -- do you know what the purpose of him being  
17 compensated was? It could range anywhere from -- well,  
18 "I don't know" could be one answer. But it could range  
19 anywhere from he was an employee providing services to  
20 the company to it was the manner of distributing the  
21 profits of the companies to somebody.

22 A I -- I do not believe that his distributions  
23 were distributions with respect to an ownership interest  
24 in a limited liability company. He was being paid  
25 compensation for services.

Deposition of Robert Klueger

Wynn vs. Francis

1 Q How -- in your review of the books and  
2 records, how was his compensation tied to the services  
3 that he performed?

4 A Well, like I said, he would present the  
5 company with personal expenses that he had incurred, and  
6 the company would pay them.

7 Q So as far as you know, basically he was  
8 self-determining his compensation based on his spending?

9 A I think that's a fair characterization, yes.

10 Q And based on what you know, there wasn't any  
11 determination of what he could spend based on, for  
12 example, how many hours he worked that month?

13 A There is -- there is no one who could have  
14 vetoed an item of compensation.

15 Q And there was nothing in the rules or any --  
16 in the LLC documents or in any employment agreement, as  
17 far as you know, or any other thing that bound him that  
18 limited his spending based on the number of hours that  
19 he worked in a given month; correct?

20 A Well, remember this, I -- part of my duties  
21 was to determine whether these expenses were deductible  
22 and -- as business expenses, so -- because we were  
23 serious about preparing an accurate tax return. So to  
24 that extent, there was a limitation on what was  
25 deductible or not.

Deposition of Robert Klueger

Wynn vs. Francis

1 Q Well, there was a limitation about what was  
2 permitted to be deducted as a business expense versus a  
3 personal expense --

4 A Correct.

5 Q -- that was compensation.

6 But there was no limit as to the amount of  
7 personal expenses he could make except for the  
8 wherewithal of the company; correct?

9 A Correct.

10 Q That is --

11 A I understand -- I understand your point.

12 Q I've got to make sure a jury does though.

13 A Oh, okay.

14 Q As long as he didn't spend more money than the  
15 company had after he paid his other expenses, there was  
16 really no limit to the expenses that Mr. Francis could  
17 personally make and take as his compensation?

18 A That's correct. But remember, to a certain  
19 extent, it's not relevant, because as the ultimate sole  
20 owner, whether he is compensated as an employee or  
21 compensated from the profits of the business is the same  
22 income subject to the same level of tax. It's  
23 irrelevant.

24 Q And are you speaking of 2010 or 2011 now?

25 A It would have been true in both -- in both

Deposition of Robert Klueger

Wynn vs. Francis

1 years.

2 Q Okay. So basically -- this is what I was  
3 asking you before.

4 At the end of the day, while he may be  
5 providing services to the company as an employee or as a  
6 creative consultant, the money that he was taking as  
7 compensation was not tied to the nature and scope of the  
8 services he was performing; correct?

9 A The money that he could earn from the  
10 operation of the business was not -- ultimately not tied  
11 to the level of services that he performed.

12 Q But it was tied instead to the successful  
13 running of the business and its profitability?

14 A Absolutely correct.

15 Q And do you know anything about what the  
16 profitability of GGW Direct or GGW Brands was in 2010 or  
17 2011?

18 A Well, I once did because I reviewed  
19 the returns that were prepared and filed on  
20 October 15th, 2011, but I don't now.

21 Q To the best of your recollection, was the  
22 profitability -- can you make some estimate of the  
23 profitability even if it's tens of thousands, hundreds  
24 of thousands, millions, tens of millions?

25 A I can't. Because, remember, when you prepare

Deposition of Robert Klueger

Wynn vs. Francis

1 A Correct.

2 Q Okay. It's Mr. Francis who is related to the  
3 Ridgewood Global Trust; correct?

4 A Correct.

5 Q And Ridgewood Global Trust is the ultimate  
6 beneficiary of all these companies?

7 A The ultimate owner.

8 Q The ultimate owner of all these companies who,  
9 if there was any income to distribute, would end up  
10 going to the global trust, correct, Ridgewood Global  
11 Trust?

12 A Absolutely correct.

13 Q Unless all of the income was taken out by way  
14 of a compensation expense?

15 A Which would have the same effect.

16 Q As settlor, Mr. Francis would be responsible  
17 for the income taxes that would have to be paid for the  
18 membership interest that ultimately flowed to the  
19 Ridgewood Global Trust?

20 A Well, it gets a little complicated, but the  
21 reason that all of the taxes are the responsibility of  
22 the owner is because of how the trust is drafted. It is  
23 drafted to be what is called a grantor trust for income  
24 tax purposes, which means that the settlor is  
25 responsible for all of the income and the income tax,

Deposition of Robert Klueger

Wynn vs. Francis

1 whether it's distributed to him or not.

2 Q And as far as you know, at least through the  
3 time that you ended your representation, that the  
4 Ridgewood Global Trust never received any money other  
5 than its initial formation; correct?

6 A Correct.

7 Q All right. Blue Horse Trading. Let's turn to  
8 Blue Horse Trading.

9 Did you do anything to change the membership  
10 interest in Blue Horse Trading starting October of 2011?

11 A I may have. I -- but I really -- I really  
12 don't recall. You know, if you have the paperwork, you  
13 know it better than I do. But I really don't recall.

14 Q Okay. And Path Media, I understand that  
15 you -- if I understand just what you said a few moments  
16 ago, that's something that you created; correct?

17 A Correct.

18 Q So does Path Media LLC hold any membership  
19 interest in other companies, as far as you know?

20 A As far as I know, it does not.

21 Q And who -- I'm sorry if you told me, and I  
22 don't have it on my very detailed notes here. Who owns  
23 the membership interest of Path Media?

24 A Ridgewood Global Trust.

25 Q Okay. Sole member; correct?

Deposition of Robert Klueger

Wynn vs. Francis

1 A Sole member.

2 Q And what is the function of Path Media LLC, to  
3 your understanding?

4 A It was created for the sole purpose of owning  
5 rights to intellectual property, namely trademarks and  
6 copyrights.

7 Q Okay. And these are the trademarks and  
8 copyrights that relate to the GGW companies?

9 A Yes.

10 Q Any others?

11 A As I recall, it owns some of the trademarks  
12 related to the cosmetics.

13 Q Okay. The brand name that -- we're not sure  
14 what it is, but the brand name that relates to the  
15 cosmetics for the company that Mr. Francis indirectly  
16 owns a portion of with the Kardashians?

17 A Correct.

18 Q Okay. And prior -- strike that.

19 In addition to the formation of Path Media,  
20 were you involved in the transfers of the intellectual  
21 property?

22 A I was.

23 Q Okay. And then for the benefit of somebody  
24 that might be listening to this that doesn't get to do  
25 this every day with us, a copyright or a trademark is

1 Q Is he the manager at the time that you left  
2 the representation?

3 A I believe he -- I believe he was.

4 Q So ultimately as the manager of Pablo Holding  
5 LLC, which is the sole member who manages GGW Brands,  
6 which is the sole member that manages the other GGW  
7 entities, he's got control of those companies; correct?

8 A In a manner of speaking, but remember,  
9 ultimately, the owner of Pablo Holdings is the trust  
10 which is controlled by the trustee of the trust, not  
11 Mr. Francis.

12 Q Well, then perhaps for those that are going to  
13 be listening to this, you could briefly describe the  
14 difference between a manager and a member of an LLC.

15 A A manager -- a manager manages. A member is  
16 an owner with respect to LLCs. Member is synonymous  
17 with owner. It is the equivalent of a shareholder of a  
18 corporation.

19 Q And the member of the Pablo Holding LLC, which  
20 is the Ridgewood Global Trust, doesn't get to  
21 participate in the management of the company; correct?

22 A I'm sorry. Say that again.

23 Q Let's back up. Did you -- did you prepare the  
24 operating agreement for Pablo Holding LLC?

25 A I did.

Deposition of Robert Klueger

Wynn vs. Francis

1 Q And did you prepare a new operating agreement  
2 for GGW Brands when you came on, an amended operating  
3 agreement?

4 A Possibly I did.

5 Q Okay. The operating agreement for Pablo  
6 Holding LLC identifies the powers and responsibilities  
7 of the managers and the members; correct?

8 A Of the managers, yes.

9 Q Okay. The members do not manage the company;  
10 correct?

11 A Which company?

12 Q Pablo Holdings LLC.

13 A Members -- the members do not manage, correct.  
14 The members could terminate a manager.

15 Q Okay. So the members of Pablo -- the member  
16 of Pablo Holding, being Ridgewood Global, has the power  
17 to terminate the manager?

18 A Correct.

19 Q And that would be done through the trustee?

20 A Absolutely correct.

21 Q Okay. Until that's done, the manager of Pablo  
22 Holdings is the ultimate manager of GGW Brands and  
23 thereby Magazine, Direct, Events, and Marketing, if it's  
24 still operating?

25 A I think that's a fair characterization, yes.

Deposition of Robert Klueger

Wynn vs. Francis

1 MR. LANGBERG: Okay. I have no further questions.

2 MR. AFTERGOOD: None from my end.

3 THE WITNESS: Not on my end.

4 MR. LANGBERG: This is your deposition. You do  
5 have the right to -- even though its most likely use is  
6 at trial, you have the right to review the deposition  
7 and make any changes, et cetera. But trial is set to  
8 start one day from today -- tomorrow.

9 A That would be tomorrow.

10 MR. LANGBERG: The witness testimony probably won't  
11 start until Friday or possibly even Tuesday.

12 And I think, Aaron, it's fair to say, it would  
13 be several days thereafter that this testimony would be  
14 relevant if it becomes relevant?

15 MR. AFTERGOOD: Correct.

16 MR. LANGBERG: So if I get you a very expedited  
17 transcript, do you think you'd be able to review and  
18 make any changes to it in, say, three days?

19 THE WITNESS: Yes.

20 MR. LANGBERG: Okay. I will order -- I'll order a  
21 transcript very expedited. We'll do that off the  
22 record.

23 So with that, I propose the following  
24 stipulation --

25

Deposition of Robert Klueger

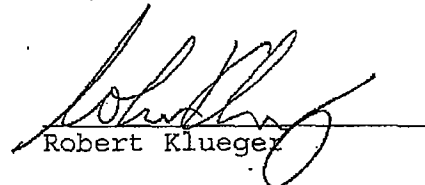
Wynn vs. Francis

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\* \* \*

I declare under penalty of perjury under the  
laws of the State of California that the foregoing is  
true and correct.

Executed this 30 day of August,  
2012, at Los Angeles, California.

  
Robert Klueger

CERTIFICATE  
OF  
CERTIFIED SHORTHAND REPORTER

\* \* \* \* \*

I, MICHELLE M. CADWELL, CERTIFIED SHORTHAND REPORTER, IN AND  
FOR THE STATE OF CALIFORNIA, CERTIFICATE NO. 11261, DO HEREBY CERTIFY:

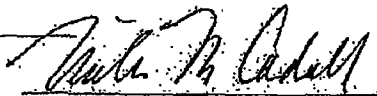
THAT THE FOREGOING PROCEEDINGS WERE TAKEN BEFORE ME AT THE  
TIME AND PLACE THEREIN SET FORTH, AT WHICH TIME THE WITNESS WAS DULY  
ADMINISTERED AN OATH IN ACCORDANCE WITH THE CODE OF CIVIL PROCEDURE,  
SECTION 2094; THAT THE TESTIMONY OF THE WITNESS AND PROCEEDINGS WERE  
REPORTED STENOGRAPHICALLY BY ME AND WERE THEREAFTER TRANSCRIBED UNDER  
MY DIRECTION; THAT THE FOREGOING IS A TRUE RECORD OF THE TESTIMONY AND  
PROCEEDINGS TAKEN AT THAT TIME.

I FURTHER CERTIFY THAT I AM A DISINTERESTED PERSON AND AM IN  
NO WAY INTERESTED IN THE OUTCOME OF SAID ACTION OR CONNECTED WITH OR  
RELATED TO ANY OF THE PARTIES IN SAID ACTION OR TO THEIR RESPECTIVE  
COUNSEL.

THE DISMANTLING, UNSEALING OR UNBINDING OF THE ORIGINAL  
TRANSCRIPT WILL RENDER THE REPORTER'S CERTIFICATE NULL AND VOID.

IN WITNESS WHEREOF, I HAVE SUBSCRIBED MY NAME ON THIS

DATE: AUG 30 2012

  
MICHELLE M. CADWELL, CSR 11261

**EXHIBIT C**

DISTRICT COURT  
CLARK COUNTY, NEVADA

- - -

WYNN LAS VEGAS, LLC d/b/a WYNN  
LAS VEGAS, a Nevada limited  
liability company,

Plaintiff,

vs.

GGW DIRECT, LLC, a Delaware  
limited liability company, et al.,

Defendants.

Case No.

A-12-660288-B

(Complete caption on next page.)

CONFIDENTIAL DEPOSITION OF

CHRISTOPHER DALE

LOS ANGELES, CALIFORNIA

WEDNESDAY, AUGUST 29, 2012

ATKINSON-BAKER, INC.  
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REPORTED BY: MARY FERGUSON, CSR NO. 8769

FILE NO: A6080EE

DISTRICT COURT

CLARK COUNTY, NEVADA

- - -

WYNN LAS VEGAS, LLC d/b/a WYNN )  
LAS VEGAS, a Nevada limited )  
liability company, )

Plaintiff, )

vs. ) Case No.

GGW DIRECT, LLC, a Delaware ) A-12-660288-B  
limited liability company; GGW )  
BRANDS, LLC, a Delaware limited )  
liability company; GGW EVENTS, LLC, )  
a Delaware limited liability )  
company; MANTRA FILMS, INC., a )  
suspended Oklahoma corporation; )  
BLUE HORSE TRADING, LLC, a )  
California limited liability )  
company; PEPE BUS, LLC, an inactive )  
Montana limited liability company; )  
SANDS MEDIA, INC., a revoked Nevada )  
domestic corporation; JOSEPH R. )  
FRANCIS, an individual; DAVID R. )  
HOUSTON, an individual; and )  
DAVID R. HOUSTON, LTD., a Nevada )  
professional corporation, doing )  
business as THE LAW OFFICE OF )  
DAVID R. HOUSTON, )

Defendants. )

CONFIDENTIAL DEPOSITION of CHRISTOPHER DALE, taken on  
behalf of Plaintiff, at 2029 Century Park East,  
21st Floor, Los Angeles, California, commencing at  
10:07 a.m., Wednesday, August 29, 2012, before Mary  
Ferguson, CSR No. 8769.

A P P E A R A N C E S

FOR THE PLAINTIFF:

BROWNSTEIN HYATT FARBER SCHRECK, LLP  
BY: MITCHELL J. LANGBERG, ESQUIRE  
ANDREW KONG, ESQUIRE  
100 North City Parkway  
Suite 1600  
Las Vegas, Nevada 89106  
(702) 382-2101

FOR DEFENDANTS GGW DIRECT, LLC; GGW BRANDS, LLC; GGW  
EVENTS, LLC; BLUE HORSE TRADING, LLC:

ECOFF BLUT, LLP  
BY: ELLIOT S. BLUT, ESQUIRE  
300 South Fourth Street  
Suite 701  
Las Vegas, Nevada 89101  
(702) 384-1050

FOR DEFENDANT JOSEPH R. FRANCIS (Present  
telephonically):

PARKER SCHEER, LLP  
BY: JACOB LEAVITT, ESQUIRE  
9555 South Eastern Avenue  
Suite 210  
Las Vegas, Nevada 89123  
(702) 383-2864

I N D E X

WITNESS: CHRISTOPHER DALE

EXAMINATION	PAGE
BY MR. LANGBERG	5

EXHIBITS		PLAINTIFF'S	
NUMBER	DESCRIPTION		PAGE
1	Declaration of Chris Dale, 2 page		30
2	Signature page of a declaration, 1 page		40
3	Various e-mail chains, 7 pages		46
4	Privilege log provided by Brian Rayment, 6 pages		69
5	Declaration of Christopher Dale re arbitration agreement, 1 page		85
6	Statement of Information for Perfect Science Labs filed December 12, 2011, 1 page		87
7	Printout of a job posting on website entertainmentcareers.net by GGW Brands for Controller/CFO, 8/1/12, 2 pages		99

QUESTIONS WITNESS WAS INSTRUCTED NOT TO ANSWER:

(NONE)

INFORMATION TO BE SUPPLIED:

(NONE)

1 Q. And she literally walked off the job, no notice  
2 or anything, correct?

3 A. Correct.

4 Q. And it was close in time, to your  
5 understanding, with a dispute that she had or an  
6 argument that she had with Mr. Francis, right?

7 A. Yes.

8 Q. How did you learn about this dispute or  
9 argument?

10 A. I don't remember. I might have been present,  
11 even. I don't remember.

12 Q. And your recollection is that it was a  
13 disagreement or dispute that was conducted in a  
14 professional tone and tenor, or it was a loud, arguing  
15 fight?

16 A. Between those; I wouldn't say one or the  
17 other.

18 Q. How would you characterize it?

19 A. A lively discussion.

20 Q. Do you know the subject matter of the dispute?

21 A. I don't remember.

22 Q. Mr. Francis didn't fire her?

23 A. No, not that I recall.

24 Q. Mr. Francis didn't threaten to fire her?

25 A. He may have.

1 Q. When you say "he may have," is that that you  
2 are speculating or you have some general recollection  
3 that he said something of that nature?

4 A. I believe he said something of that nature.

5 Q. What do you recall him saying?

6 A. I don't remember.

7 Q. Could he fire her?

8 A. Depends, I guess, on how you define "fire."

9 I would eventually probably have been the one  
10 to provide her a final check and those type of things.

11 Q. Could Mr. Francis have directed you to  
12 terminate her employment?

13 A. Yes.

14 Q. Could Mr. Francis direct you to fire  
15 Mr. Westburg?

16 A. Yes.

17 Q. Could Mr. Francis direct you to fire anybody he  
18 wanted to at GGW Direct?

19 A. Yes.

20 Q. What do you base that on?

21 A. You are asking me if it's possible, so I think  
22 it's possible.

23 Q. Your understanding is that he has the power and  
24 authority to direct you to fire people at the company,  
25 correct?

1 A. Yes.

2 Q. Other than you and Mr. Francis, does anybody  
3 else have the authority to fire somebody at the  
4 company?

5 A. No.

6 Q. Have you ever seen Mr. Francis fire anybody?

7 A. I don't recall.

8 Q. Have you ever been instructed by Mr. Francis to  
9 terminate somebody?

10 A. I can't remember an example.

11 Q. Have you ever been instructed by Mr. Francis to  
12 hire somebody?

13 A. No.

14 Q. Do you know about Mr. Francis ever firing or  
15 terminating somebody or instructing somebody to fire or  
16 terminate somebody?

17 A. No.

18 Q. Either at Mantra or GGW, there was a person  
19 that served as general counsel at one time named Dennis  
20 Russell.

21 Do you recall that?

22 A. I have heard his name.

23 Q. Were you employed at the time he was?

24 A. No.

25 Q. There was another person that served as

1 A. Yes.

2 Q. And are there people that work at GGW that are  
3 independent contractors?

4 A. Yes.

5 Q. Do you maintain files for them?

6 A. Yes.

7 Q. To the extent that there are employment  
8 agreements with employees or independent contractors, do  
9 you maintain those?

10 A. Yes.

11 Q. But there's nothing that you have for  
12 Mr. Francis?

13 A. Correct.

14 Q. I think that Mr. Francis has testified that he  
15 has an employment agreement that includes indemnity  
16 provisions in it.

17 If that's true, it's nothing you have ever  
18 seen, correct?

19 A. Correct.

20 Q. Maybe I am making a mistake about what he  
21 testified about, but you have never seen an agreement  
22 between Mr. Francis and any GGW entity that has any  
23 indemnity provisions in it?

24 A. Correct.

25 Q. Is Mr. Francis compensated by any of the GGW

1 entities?

2 A. I don't know.

3 Q. With the exception of Mr. Francis, any other --  
4 any employee or independent contractor that provides  
5 services to the companies, you are responsible for their  
6 compensation ultimately, correct?

7 A. Correct.

8 Q. I don't mean paying it out of your pocket, but  
9 the logistics and bureaucracy of it, correct?

10 A. Correct.

11 Q. At tax time, are you responsible -- not  
12 necessarily for preparing, but logistically getting  
13 whatever tax-reporting documents there are to the  
14 employees and the independent contractors?

15 A. Yes.

16 Q. So employees get W-2s?

17 A. Sounds right, yeah.

18 Q. And independent contractors get 1099s?

19 A. Correct.

20 Q. As far as you know, have the companies issued  
21 either of those to Mr. Francis?

22 A. Which companies?

23 Q. The GGW entities.

24 A. I believe he received a W-2 from GGW Direct,  
25 and I believe I have seen a W-2 at one time from Mantra

1 Films.

2 Q. Do you know what year he got this W-2 from GGW  
3 Direct?

4 A. 2011 or for the 2011 tax year.

5 Q. Based on your experience, a W-2 typically goes  
6 along with having a traditional employee/employer  
7 relationship, doesn't it?

8 MR. BLUT: Object to the extent it calls for a  
9 legal opinion.

10 BY MR. LANGBERG:

11 Q. I am asking based on your experience in Human  
12 Resources.

13 MR. BLUT: Same objection.

14 You can answer, if you understand it.

15 THE WITNESS: Yes, yes.

16 BY MR. LANGBERG:

17 Q. When you saw the GGW for Mr. Francis from GGW  
18 Direct, you said --

19 A. I believe it was Direct. It could have been  
20 Brands. I don't remember. I think it was Direct.

21 Q. When you saw the W-2 from a GGW entity for  
22 Mr. Francis for tax year 2011, did it strike you as odd,  
23 knowing that he was not an employee?

24 MR. BLUT: Object, it may call -- calls for  
25 speculation. Might be --

1           You can answer, if you understand it.

2           THE WITNESS: No.

3 BY MR. LANGBERG:

4           Q. Have you ever, ever before seen a W-2 from a  
5 company that you worked for, for somebody who is not an  
6 employee of the company?

7           A. I don't think before this role, I have not  
8 handled W-2s and 1099s, so no.

9           Q. Have you ever seen a W-2 for any GGW entity  
10 that went to somebody who was not an employee?

11          A. No.

12          Q. Why did you have this W-2 or why did you see  
13 it?

14          A. ADP sent it, sends all the tax records for  
15 employees and independent contractors to me, to my  
16 attention.

17          Q. Did you see it just in a sealed envelope or did  
18 you actually see the W-2, itself?

19          A. Sealed envelope.

20          Q. So you don't know what the numbers were on it?

21          A. No.

22          Q. You never saw them, let alone don't remember  
23 what they are?

24          A. Correct.

25          Q. How do you know it was a W-2?

1 Q. So you don't know if Mr. Francis has any direct  
2 or indirect interest in either of these companies?

3 A. No.

4 Q. I want to be clear.

5 The reason that you prepared this is because a  
6 lawyer asked you to -- who you understood worked for GGW  
7 entities asked you to do it?

8 A. Correct.

9 Q. At the time that you signed it, you didn't  
10 know whether University of Dermatology and Tower Lane  
11 Productions had any interest in the company or not,  
12 correct?

13 A. Correct.

14 Q. Do you understand that you have signing  
15 authority on any bank accounts for any of the GGW  
16 entities?

17 A. No.

18 Q. Did you know that there was something called a  
19 unanimous written consent of member for GGW Events,  
20 LLC, that identified you as a key executive of GGW  
21 Events?

22 A. No.

23 Q. Did you know that there was a unanimous written  
24 consent of member of GGW Events, LLC, that stated that  
25 the company authorized you to have signing authority on

1 certain bank accounts?

2 A. No.

3 Q. Who signs the paychecks at GGW Brands?

4 A. No one.

5 Q. Do the paychecks bear a signature?

6 A. Yes.

7 Q. Whose signature do they bear?

8 A. Joe Francis's.

9 Q. How is that accomplished?

10 A. I think it was an electronic imprint given at  
11 one time to ADP.

12 Q. So ADP causes the signatures to be on it?

13 A. Right, right.

14 Q. Do you know about checks to vendors and  
15 suppliers and such; do you know who signs those?

16 A. No.

17 Q. Are you aware of any kind of signature stamp  
18 bearing Mr. Francis's signature?

19 A. I have heard that there is a stamp, yeah.

20 Q. What have you heard about that?

21 A. I just know that a stamp exists or heard that  
22 a stamp exists.

23 Q. Have you heard that he carries it around in a  
24 bag with him?

25 A. No.

1 Q. Do you know who possesses that stamp?

2 A. No.

3 Q. Are you a key -- have you ever heard that you  
4 were a key executive for GGW Direct, LLC, that term,  
5 "key executive"?

6 A. No.

7 Q. Do you know anything about having signature  
8 authority on certain bank accounts for GGW Direct?

9 A. No.

10 Q. As far as you know, you have no signature  
11 authority?

12 A. Correct.

13 Q. If you have such authority, nobody ever told  
14 you?

15 A. Right.

16 Q. Now, in your capacity as legal manager and the  
17 HR manager for GGW Direct, were you ever served with  
18 wage garnishments pertaining to Mr. Francis?

19 A. Yes.

20 Q. On how many occasions have you received wage  
21 garnishments pertaining to Mr. Francis for GGW Direct?

22 A. Twice, maybe.

23 Q. Do you know who were the plaintiffs or  
24 judgment creditors that served those wage garnishments?

25 A. No, I don't remember.

REPORTER'S CERTIFICATE

I, MARY FERGUSON, CSR No. 8769, Certified  
Shorthand Reporter, certify:

That the foregoing proceedings were taken  
before me at the time and place therein set forth, at  
which time the witness was put under oath by me;

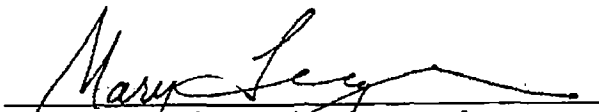
That the testimony of the witness, the  
questions propounded, and all objections and statements  
made at the time of the examination were recorded  
stenographically by me and were thereafter transcribed;

That the foregoing is a true and correct  
transcript of my shorthand notes so taken.

I further certify that I am not a relative or  
employee of any attorney of the parties, nor financially  
interested in the action.

I declare under penalty of perjury under the  
laws of California that the foregoing is true and  
correct.

Dated this 10<sup>th</sup> day of September, 2012.

  
MARY FERGUSON, RPR  
C.S.R. No. 8769

**EXHIBIT D**

BRIAN RAYMENT, 6-19-12

1 IN THE DISTRICT COURT IN AND FOR TULSA COUNTY  
2 STATE OF OKLAHOMA

3  
4 WYNN LAS VEGAS, LLC, d/b/a )  
WYNN LAS VEGAS, )  
5 )  
Plaintiff, )  
6 )  
vs. ) No. CV 2012-00021  
7 )  
JOSEPH FRANCIS, )  
8 )  
Defendant. )  
9

10  
11  
12 -----  
13  
14  
15 DEPOSITION OF BRIAN RAYMENT, produced as a  
16 witness on behalf of the Plaintiff in the above  
17 styled and numbered cause, taken on the 19th day of  
18 June, 2012, in the City of Tulsa, County of Tulsa,  
19 State of Oklahoma, before me, Karla E. Barrow, a  
20 Certified Shorthand Reporter, duly certified under  
21 and by virtue of the laws of the State of Oklahoma.  
22  
23  
24  
25

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BRIAN RAYMENT, 6-19-12

A P P E A R A N C E S

FOR THE PLAINTIFF: MS. RACHEL C. MATHIS  
Attorney at Law  
320 South Boston  
Suite 200  
Tulsa, Oklahoma 74103  
and  
MR. FRANK HAGEDORN  
Attorney at Law  
1323 East 71st Street  
Suite 100  
Tulsa, OK 74136

FOR THE DEFENDANT: MR. JOHN W. ANDERSON, JR.  
Attorney at Law  
4444 East 66th Street  
Suite 102  
Tulsa, OK 74136

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1 the course of his representation, it's protected by  
2 the attorney-client privilege.

3 MS. MATHIS: Are we just going to have to  
4 stop the deposition now and ask the judge to have  
5 it -- 10:22

6 MR. ANDERSON: You tell me. You start  
7 asking questions that don't invade privilege --

8 MS. MATHIS: How does this invade  
9 privilege?

10 MR. ANDERSON: You're asking him for 10:22  
11 information he learned while he was in the course of  
12 representation.

13 MS. MATHIS: Let's just -- we'll get back  
14 to this then. We're going to make it difficult.

15 MR. HAGEDORN: Ask your question again. I 10:22  
16 want his response on the record.

17 A Well, let me state this right now. If there's  
18 an objection for attorney-client privilege from Mr.  
19 Francis's counsel, I'm not going to answer until the  
20 court addresses that. 10:22

21 MR. HAGEDORN: Is that on the record?

22 MS. MATHIS: Yes.

23 A I believe it is.

24 MS. MATHIS: Yes, she just put that on the  
25 record. 10:22

BRIAN RAYMENT, 6-19-12

1 A I have been threatened by Mr. Francis and I'm  
2 not going to expose myself to liability to him, so  
3 I'm going to let the court resolve any objections of  
4 that nature before I'm compelled to respond.

5 MS. MATHIS: Certify the question. 10:23

6 Q (By Ms. Mathis) Your representation of Mr.  
7 Francis, you indicated that he terminated that  
8 relationship?

9 A Yes.

10 Q Why did he terminate that relationship? 10:23

11 MR. ANDERSON: If you can answer that  
12 question without invading privilege.

13 A Mr. Francis made demands upon me to take  
14 action with regard to a trust, which I refused to  
15 take, and it terminated the relationship. 10:23

16 Q (By Ms. Mathis) The trust that we're  
17 referring to, is that the Francis trust?

18 A Indeed it is.

19 Q And you were a protector of the Francis trust;  
20 correct? 10:24

21 A Correct.

22 Q What other companies in which Mr. Francis had  
23 an interest, I'm not saying what the interest was or  
24 whatever, what other companies in which Mr. Francis  
25 had an interest did you provide legal representation 10:24

BRIAN RAYMENT, 6-19-12

1 to Mr. Francis?

2 A Sands Media, there was GGW Brands, GGW

3 Marketing, GGW Direct.

4 Q Perfect Science Labs?

5 A I covered Mantra already. There was -- this 10:25

6 goes back a while now, there was a joint venture

7 between Mandalay, Mantra and Playboy, which

8 theoretically was a different entity, if you will.

9 Q When was that?

10 A That was back in the early 2000s. 10:25

11 Q Perfect Science Labs?

12 A I did provide services for Perfect Science

13 Labs, and I'd have to go back and look at the

14 documentation because I know there are other

15 entities involved there, but I'd have to look at it 10:26

16 to see.

17 Q What is GGW KYC, do you know what that is?

18 A Don't know what that one is.

19 Q GGW Events?

20 A I do recall GGW Events, but I don't recall it 10:26

21 being an entity that did a lot, and I don't recall

22 doing a whole lot for it or anything for it,

23 frankly. There may be some things, but I just don't

24 recall.

25 Q PSL Nutritionals, is that the same thing as 10:26

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1 Perfect Science Labs?

2 A Yes.

3 Q It just dawned on me that that was the same  
4 abbreviation.

5 A Yes.

10:27

6 Q University of Dermatology?

7 A Yes.

8 Q Any others you can think of?

9 A Not without looking at the documents. Not off  
10 the top of my head.

10:27

11 Q Did you provide any legal services to him  
12 individually outside of the corporations?

13 A Yes.

14 Q How about Pepe Bus?

15 A I didn't provide any legal services for Pepe  
16 Bus.

10:27

17 Q I'm going to hand you a document that I'm  
18 going to mark as --

19 MS. MATHIS: Off the record.

20 (Whereupon, a discussion was held off the  
21 record.)

10:28

22 Q (By Ms. Mathis) I'm going to give you your  
23 own set of documents here, that will be easier, and  
24 you may have to share or something because at the

25 time we had these copies made I didn't know you were

10:28

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1 to or from an employee of a client, I put them on  
2 the privilege log list, and the different lists are  
3 based upon the different words that I searched to  
4 come up with it.

5 Q Tell me what words you searched. 11:25

6 A GGW, Mantra, Perfect Science, let's see if  
7 there's anything else here, there may have been one  
8 other and I may have done a general search on Joe  
9 Francis also, and I don't recall -- I could get that  
10 information for you by going back and looking at 11:26  
11 what I used to compile my list, but I don't have  
12 that off the top of my head.

13 Q All right. Were there times when you would be  
14 performing work for one GGW entity when you were  
15 actually representing another entity? For instance, 11:27  
16 you know, you've got the GGW Brands, you've got GGW  
17 Direct, you've got GGW Marketing. Were there times when  
18 those representations of one entity would actually  
19 be work being performed for another entity?

20 MR. ANDERSON: Object to the form. 11:27

21 A From the billing standpoint?

22 Q (By Ms. Mathis) Yes, we can do it from the  
23 billing standpoint if you want, to begin with.

24 A From a billing standpoint, there were times  
25 when the companies' work overlapped and I was 11:27

BRIAN RAYMENT, 6-19-12

1 billing one for work that may have been done for  
2 another, or at least in part.

3 Q Were there times that you were representing  
4 both entities at the same time?

5 A Well -- 11:28

6 Q In relation to a matter?

7 A Yeah. My position was somewhat as a general  
8 counsel, outside general counsel position, so if a  
9 question came up as to one entity or another, that  
10 would dictate who I was dealing with. 11:28

11 Q And I understand that, but you might be  
12 handling negotiations on behalf of more than one  
13 entity at a time; is that correct?

14 A Yes.

15 Q I can tell you why I asked. Your timekeeping 11:28  
16 for the work that was performed for the GGW  
17 companies or entities, did you keep track of it in  
18 relation to the particular entity that you were  
19 doing the work for or was there just a general log  
20 or entry for just work for Joe Francis or work for 11:29  
21 GGW?

22 MR. ANDERSON: Object to the form.

23 A That would depend on the time that you're  
24 asking about. Over roughly a 12, 13 year period it  
25 changed. 11:29

1 Q Okay. How did it change?

2 A Initially, there was primarily just Mantra on  
3 the scene. The GGW entities came into play later in  
4 the game, as I said before, I don't remember  
5 specifically when, but the grouping of those GGW 11:29  
6 entities was something that was not distinguished by  
7 me on the billing aspects of the matter.

8 Q You didn't distinguish, you would just put  
9 GGW?

10 A Correct. 11:30

11 Q Would there be a description in your time  
12 entry as to the matter worked on?

13 A Yes.

14 Q How detailed are your descriptions?

15 A More than some other people and less than some 11:30  
16 others. They're not highly, highly detailed.

17 Q Would you be able to tell from your entry as  
18 to which entity you were performing work for?

19 A Sometimes the entry would reveal that.  
20 Sometimes you'd have to go back to like the 11:30  
21 individual e-mails or the documentation.

22 Q A couple of different checks were produced.  
23 There's another one in this stack here. I'm going  
24 to mark this as Exhibit No. 3. We already talked  
25 about the check that was written on Pepe Bus, LLC's 11:31

1 on behalf of both of these entities in relation to  
2 his e-mails and negotiations or termination of  
3 Moulton?

4 MR. ANDERSON: And if you know that, if  
5 you know that as a result of a communication with 12:18  
6 your client.

7 A Well, my answer would be going to the very top  
8 e-mail message from Moulton where it references  
9 Mantra and Perfect Science Labs.

10 Q (By Ms. Mathis) Do you know if any litigation 12:18  
11 ever arose out of the termination of this contract?

12 A Not that I'm aware of. I'll put it this way,  
13 not that I recall today.

14 Q Were you involved in this at all where you  
15 would have any additional knowledge regarding this 12:18  
16 relationship between Moulton and Mantra and Girls  
17 Gone Wild and Perfect Science Labs?

18 A Well, as you see, this e-mail chain ended  
19 December 23rd of '10, and my services lasted roughly  
20 another two months. So there's nothing more than 12:18  
21 what is in here that I have any recollection of  
22 happening.

23 Q Okay.

24 A Just an exchange of e-mails.

25 Q Were you involved as legal counsel in entering 12:19

BRIAN RAYMENT, 6-19-12

1 into the original contract with Moulton?

2 A No. Let me put it this way. Not that I  
3 recall. I mean, it could have been old enough that  
4 maybe I did do it, but I don't have any recollection  
5 of doing it. 12:19

6 Q I'm going to hand you what I'm going to mark  
7 as Exhibit 9. These are some more e-mails between  
8 Larry Moulton, it looks like, and Joe Francis.  
9 These are Bates numbered Rayment 727 through 731.  
10 This is dated December 28th -- 12:20

11 A This was?

12 Q No, I'm looking at No. 9 and I was going to  
13 compare it to No. 8. No. 8 was dated December 23rd,  
14 so it looks like this was five days later. Let me  
15 just ask you this. Do you know what -- let me see 12:20  
16 if my question can be clearer than it was earlier.  
17 Do you know what position Joe Francis held with  
18 Perfect Science Labs?

19 MR. ANDERSON: Object to the form.

20 A Joe was either individually or through an 12:20  
21 entity acting as the manager.

22 Q (By Ms. Mathis) Okay. He was the person in  
23 charge, either individually or through an entity?

24 A Correct.

25 Q Okay. With regards to GGW Brands, LLC, how 12:21

BRIAN RAYMENT, 6-19-12

1 was he operating? Was he an employee of GGW Brands,  
2 LLC or was he the manager?

3 MR. ANDERSON: Object to the form.

4 Q (By Ms. Mathis) Either individually or  
5 through an entity? 12:21

6 A I don't know. Timing, I don't know  
7 specifically at every point in time what his  
8 relationship was.

9 Q How about at the end of 2010?

10 A I will tell you he is the individual with whom 12:21  
11 I dealt.

12 Q Okay.

13 A For all the GGW entities.

14 Q Other than what's contained in these e-mails  
15 that I have relating to the termination of the 12:22  
16 contract with Moulton, do you have any -- and I'm  
17 not asking you to disclose what that information is  
18 yet, do you have any other information with regards  
19 to the termination of the contract with Moulton?

20 A Not other than what I've produced. 12:22

21 Q Okay. You produced some ledgers regarding  
22 what appears to be the transfer of some cars. Your  
23 journal entries, they're Bates numbered 211 through  
24 213. I'll just generally mark them all as Exhibit  
25 No. 10. In fact, if you would put that paper clip 12:23

1 on them after you look at them. Why did you have  
2 this document in your possession?

3 A It -- well, to get into the details of that,  
4 I'd have to get into communication with a client.

5 Q Did you provide legal representation -- well, 12:23  
6 for instance, did you provide legal representation  
7 to GGW Events in relation to the transfer of some of  
8 these vehicles?

9 A After the fact I had discussions with the  
10 client about this issue. 12:24

11 Q Okay. After the transfer had already been  
12 conducted, then you had discussions with the client;  
13 is that correct?

14 A Correct.

15 Q Do you have any idea who prepared these 12:24  
16 journal entries?

17 A I don't know.

18 Q And I am not asking you for your discussions  
19 with your client, okay --

20 A Okay. 12:24

21 Q -- with my next question. This indicates  
22 dates of 1-1, 2010 on the document titled Mantra  
23 Films, Inc. journal entries.

24 A Yes.

25 Q Is that the date on which Mantra Films 12:25

1 MR. ANDERSON: That you remember --

2 A At the time that that was being requested, I  
3 was still an attorney for Mr. Francis. So at the  
4 time that was addressed to me, there was an  
5 attorney-client relationship, and I'd have to take 01:08  
6 the privilege on that communication.

7 MS. MATHIS: And we want to certify that,  
8 in case I didn't earlier.

9 MR. ANDERSON: I think we did.

10 Q (By Ms. Mathis) What is Girls Gone Wild 01:08  
11 Brands? Does it sell videos, does it market stuff  
12 or does it -- and I'm talking GGW Brands?

13 A GGW Brands, what it does is something that I  
14 would have learned from discussions with Mr. Francis  
15 when I was his and the entity's attorney, and I 01:09  
16 would have to say that that's a privileged  
17 communication.

18 Q Does GWW Brands not do anything with third  
19 parties where they're holding themselves out to sell  
20 videos or anything of that nature? 01:09

21 A Sure, they do, but when you ask me what do  
22 they do, I don't know how I can give all the  
23 information I have without invading the  
24 attorney-client privilege in response to that  
25 question. 01:09

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BRIAN RAYMENT, 6-19-12

1 MS. MATHIS: Certify that question.

2 Q (By Ms. Mathis) Who are the members of  
3 Brands?

4 A I don't know.

5 Q Is there a Pablo Holdings, LLC that might be a 01:09  
6 member? Do you know anything about that?

7 A No.

8 Q Are you familiar at all with Pablo Holdings?

9 A No.

10 Q What's his role -- what is Joe Francis's role 01:09  
11 at Brands, GGW Brands?

12 A My understanding -- well, again, that would  
13 come from my discussions with him.

14 Q There are court filings which indicate he's  
15 the manager of GGW Brands, is that your 01:10  
16 understanding?

17 A Yes, that's my understanding.

18 Q I was really hoping to be wrapped up by 1:00  
19 and I know you're going to kill me, but I'm not.

20 A I'm happy to go as long as you want. I mean, 01:10  
21 it's up to you.

22 MS. MATHIS: I've got to have an okay  
23 from --

24 MR. ANDERSON: How much longer do you  
25 have? 01:10

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1 MS. MATHIS: I'm actually getting close,  
2 but I would anticipate that I would be through no  
3 later than 2:00. If you can hang on for another --

4 MR. ANDERSON: Hour?

5 MS. MATHIS: Well, I'm not sure that it 01:10  
6 will take another hour, but I don't want to say 1:30  
7 and it take longer than that.

8 MR. HAGEDORN: Let's go. We don't want to  
9 recess and come back.

10 Q (By Ms. Mathis) I'm going to hand you some 01:11  
11 e-mails marked as Rayment 792 to 794. We're going  
12 to mark these as Exhibit No. 18, if you would take a  
13 look at those, please. Let's start back at the  
14 beginning of the chain, which is going to start on  
15 Page 2, I believe. This is an e-mail from Douglas 01:12  
16 Fine to Joe Francis. Do you know who Douglas Fine  
17 is?

18 A Yes.

19 Q Who is he?

20 A I believe he's the property -- he's employed 01:12  
21 by the property manager of the building in which  
22 Joe's entities officed.

23 Q All the entities officed there?

24 A I don't know the answer to that.

25 Q Which entities officed there that you know of? 01:12

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C E R T I F I C A T E

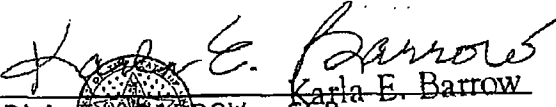
STATE OF OKLAHOMA     }  
COUNTY OF TULSA       } ss.

I, Karla E. Barrow, Certified Shorthand Reporter within and for Tulsa County, State of Oklahoma, do hereby certify that the above named witness was by me first duly sworn to testify to the truth, the whole truth and nothing but the truth in the case aforesaid, and that I reported in stenograph his deposition; that my stenograph notes were thereafter transcribed and reduced to typewritten form under my supervision, as the same appears herein.

I further certify that the foregoing 146 pages contain a full, true and correct transcript of the deposition taken at such time and place.

I further certify that I am not attorney for or relative to either of said parties, or otherwise interested in the event of said action.

WITNESS MY HAND this 25th day of June, 2012.

  
KARLA E. BARROW, CSR  
CSR No. 013113  
State of Oklahoma  
Certified Shorthand Reporter  
CSR # 113  
My Certificate Expires 12-31-13

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**EXHIBIT E**

DUPLICATE COPY

Platinum Card®

JOSEPH R FRANCIS  
Closing Date 10/18/11

p. 1/10

Account Ending 5-17003

**New Balance** **\$38,441.59**  
Includes the past due amount of \$21,910.80  
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**Account Summary**

Previous Balance	\$21,950.69
Payments/Credits	-\$39.89
New Charges	+\$16,530.79
Fees	+\$0.00

**New Balance** **\$38,441.59**

Days In Billing Period: 32

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**11/02/11**

Amount Due  
**\$38,441.59**



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Note changes on reverse side.



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## Platinum Card®

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JOSEPH R FRANCIS  
Closing Date 10/18/11

Account Ending 5-17003

## Payments and Credits

## Summary

	Total
Payments	\$0.00
Credits	
JOSEPH R FRANCIS 5-17003	-\$39.89
<b>Total Payments and Credits</b>	<b>-\$39.89</b>

## Detail

	Amount
10/12/11 JOSEPH R FRANCIS AMAZON.COM AMZN.COM/BILL WA DIRECT MKTG MISC	-\$39.89

## New Charges

## Summary

	Total
JOSEPH R FRANCIS 5-17003	\$14,544.20
ZOILA RIVAS 5-13036	\$1,986.59
<b>Total New Charges</b>	<b>\$16,530.79</b>

## Detail

JOSEPH R FRANCIS  
Card Ending 5-17003

	Amount
09/18/11 ALASKA AIR IN FLIGHTALASKA AIR IN FLIG ALASKA AIR IN FLIGHT ORD;REQ REQUESTER NAME IT1 PURCHASE;UPI 6.0000;QTY1 IT2;UPI 0.0000;QTY FRT 0.00;HDL 0.00;ITM1	\$6.00
09/19/11 BANANA REPUBLIC #825LOS ANGELES CA MEN'S/WOMEN'S CLOTHNG	\$20.12
09/20/11 TRADER JOE'S #215 QLOS ANGELES CA 626-599-3700 Description GROCERIES/SUND	\$37.40
09/20/11 GARY LONDON, M.D., A310-270-4500 310-270-4500	\$4,650.00
09/21/11 SUNNIN LEBANESE CAFELOS ANGELES CA 3104772358 FOOD/BEVERAGE \$72.32	\$72.32
09/21/11 MEDQUEST PHARMACY 00NORTH SALT LA UT 801-294-1400 Description DRUG STORE/PHA	\$653.01
09/23/11 LADWP IVR LOS ANGELES CA 800-342-5397 Description UTILITIES	\$6,622.10

Continued on reverse

JOSEPH R FRANCIS

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Account Ending 5-17003

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## Detail Continued

				Amount
09/26/11	RALPHS #0292 0000002SANTA MONICA CA 3108844272 Description Price GROCERY STORES \$50.00			\$50.00
09/27/11	RALPHS #0292 0000002SANTA MONICA CA 3108844272 Description Price GROCERY STORES \$473.89			\$473.89
09/30/11	IMAGE CLEANERS 17400LOS ANGELES CA 3108201299 Description Price DRY CLEANERS \$782.00			\$782.00
09/30/11	BIO REFERENCE LAB INELMWOOD PARK NJ 201-791-2600			\$27.31
09/30/11	WHY COOK 65000000295LOS ANGELES CA 3102783955 Description Price CATERERS \$194.50			\$194.50
10/01/11	UNIVERSAL STUDIOS FOUNIVERSAL CIT CA 888-340-4840 Description FOOD/BEVERAGE			\$9.65
10/03/11	RALPHS #0292 00000023108844272 3108844272 GROCERY STORES			\$169.63
10/04/11	TOTAL HEALTH NUTRIENSKILLMAN NJ 609-466-9105			\$100.39
10/05/11	PLACE FOR ACHIEVING NEW YORK NY 2122136155 Description Price DOCTOR \$400.00			\$400.00
10/05/11	PAYPAL *FAR INC 4029357733 CA 402-935-7733 Description EXERCISE EQUIP			\$58.90
10/07/11	IBI*DERMSTORE.COM 800-213-3376 CA 800-213-3376			\$56.81
10/11/11	RALPHS #0292 0000002SANTA MONICA CA 3108844272 Description Price GROCERY STORES \$10.00			\$10.00
10/11/11	BROOKSTONE 249 00249SANTA MONICA CA MISC HOME FURNISHINGS			\$38.23
10/11/11	MEDQUEST PHARMACY 00NORTH SALT LA UT 801-294-1400 Description DRUG STORE/PHA			\$111.94



ZOILA RIVAS

Card Ending 5-13036

				Amount
09/26/11	VONS Store 2261LOS ANGELES CA GROCERY STORE			\$21.81

Continued on next page

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## Platinum Card®

p. 5/10

JOSEPH R FRANCIS  
Closing Date 10/18/11

Account Ending 5-17003

## Detail Continued

				Amount
09/26/11	WHOLEFDS FFX 10177 0LOS ANGELES CA			\$89.43
	3239646800			
	Description	Price		
	GROCERY STORES	\$89.43		
09/26/11	TRADER JOE'S #234 QLOS ANGELES CA			\$29.92
	626-599-3700			
	Description			
	GROCERY STORES			
09/27/11	RALPHS #0039 00000003108844272			\$330.14
	3108844272			
	GROCERY STORES			
09/27/11	PINKBERRY #22 LOS ANGELES CA			\$32.95
	FAST FOOD RESTAURANT			
	FOOD/BEVERAGE	\$32.95		
09/27/11	WHOLEFDS BRT 10074 03108264433			\$100.83
	3108264433			
	GROCERY STORES			
09/28/11	WHOLEFDS FFX 10177 0LOS ANGELES CA			\$19.91
	3239646800			
	Description	Price		
	GROCERY STORES	\$19.91		
09/29/11	RALPHS #0039 00000003108844272			\$248.17
	3108844272			
	GROCERY STORES			
09/30/11	VONS Store 2261LOS ANGELES CA			\$19.43
	GROCERY STORE			
09/30/11	PINKBERRY #22 LOS ANGELES CA			\$28.45
	FAST FOOD RESTAURANT			
	FOOD/BEVERAGE	\$28.45		
09/30/11	WHOLEFDS FFX 10177 03239646800			\$86.28
	3239646800			
	GROCERY STORES			
09/30/11	WHOLEFDS BRT 10074 03108264433			\$52.43
	3108264433			
	GROCERY STORES			
10/03/11	WHOLEFDS BRT 10074 03108264433			\$83.16
	3108264433			
	GROCERY STORES			
10/03/11	VONS Store 2261LOS ANGELES CA			\$7.08
	GROCERY STORE			
10/03/11	PINKBERRY #22 LOS ANGELES CA			\$23.95
	FAST FOOD RESTAURANT			
	FOOD/BEVERAGE	\$23.95		
10/04/11	TRADER JOE'S #234 QLOS ANGELES CA			\$55.35
	626-599-3700			
	Description			
	GROCERY STORES			
10/05/11	WHOLEFDS FFX 10177 03239646800			\$106.40
	3239646800			
	GROCERY STORES			

Continued on reverse

**DUPLICATE COPY**  
Account Ending 5-17003

JOSEPH R FRANCIS

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**Detail Continued**

		<b>Amount</b>
10/06/11	VONS Store 2261LOS ANGELES CA GROCERY STORE	\$13.58
10/10/11	WHOLEFDS FFX 10177 03239646800 3239646800 GROCERY STORES	\$73.76
10/10/11	VONS Store 2261LOS ANGELES CA GROCERY STORE	\$21.31
10/11/11	RALPHS #0039 00000003108844272 3108844272 GROCERY STORES	\$249.60
10/12/11	TRADER JOE'S #234 QLOS ANGELES CA 626-599-3700 Description GROCERY STORES	\$50.71
10/13/11	VONS Store 2261LOS ANGELES CA GROCERY STORE	\$7.91
10/14/11	WHOLEFDS FFX 10177 03239646800 3239646800 GROCERY STORES	\$124.09
10/17/11	VONS Store 2261LOS ANGELES CA GROCERY STORE	\$16.42
10/17/11	WHOLEFDS FFX 10177 03239646800 3239646800 GROCERY STORES	\$93.52

**Fees**

	<b>Amount</b>
<b>Total Fees for this Period</b>	<b>\$0.00</b>

**2011 Fees and Interest Totals Year-to-Date**

	<b>Amount</b>
Total Fees in 2011	\$495.85
Total Interest in 2011	\$0.00

**Important Notice**

**Information on Pay Over Time Features**

You may have access to one or more Pay Over Time Features as part of your Card account. The following are the current Annual Percentage Rates (APRs) for Pay Over Time Features. (v) Indicates variable rate.

For Sign & Travel, the APR is 15.24% (v).

For Sign & Travel, the APR is 15.24% (v).

Please refer to page 2  
for further important  
information regarding  
your account

Platinum Card®

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p. 7/10

JOSEPH R FRANCIS  
Closing Date 10/18/11

Account Ending 5-17003

**Important Change to the \$200 Airline Fee Credit Benefit**

We're writing to tell you about a change to the \$200 Airline Fee Credit benefit. This is an annual benefit that can apply to a variety of incidental airline fees including baggage fees, itinerary change fees, in-flight food, and airport lounge day passes. To get this benefit you must enroll and select your airline of choice. ***If after enrolling you want to change your airline choice for a calendar year, you must now do so during January of that year.*** To enroll in this benefit, make or change your airline choice, or get more information, visit [americanexpress.com/PlatinumAirlineChoice](http://americanexpress.com/PlatinumAirlineChoice). No action is needed if you are enrolled and don't want to change your airline choice.

**The Importance of Paying on Time**

We'd also like to share information to help you manage your account and to emphasize the importance of paying on time each month.

Paying late has consequences, including:

- If you pay late, you will be charged a late fee of up to \$35 or 2.99% of the past due amount.
- Your account will be reported as past due to credit reporting agencies if you fail to pay the minimum amount due for two billing periods in a row.
- If you use a pay over time feature, paying late can trigger the penalty APR.
- Paying late can result in restrictions on earning and redeeming rewards.

To help you make payments on time, every time, we offer a suite of account management tools:

- Pay online or by phone 24/7 – Login to your account online or call 1-800-I-PAY-AXP (1-800-472-9297).
- AutoPay – Have your payment automatically deducted from your bank account each month.
- Account alerts – Get email or text alerts when your payment due date is approaching.
- Mobile services – View and manage your Card account from anywhere.

Go to [financialtools.americanexpress.com/alerts](http://financialtools.americanexpress.com/alerts) to learn more.

We hope you find this information helpful. Thank you.

***See reverse side for the changes to Terms and Conditions.***

**DUPLICATE COPY**  
Account Ending 5-17003

JOSEPH R FRANCIS

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### **Notice of Important Changes to the \$200 Airline Fee Credit Terms and Conditions**

We are making certain changes to the Terms and Conditions governing the \$200 Airline Fee Credit benefit. Any language in the Terms and Conditions contrary to or conflicting with terms amended below is replaced fully and completely. All terms of the Terms and Conditions not amended herein remain in full force and effect. We urge you and any Additional Cardmembers on your Account to read the below notice carefully and file it in a safe place for future reference.

#### **\$200 Airline Fee Credit Benefit**

Effective immediately, the reference to "December" in the sixth sentence of the Terms and Conditions is deleted and replaced with "January." The revised Terms and Conditions are shown below in their entirety with this change highlighted in bold for clarity.

"Benefit is available to Consumer and Business Platinum Card® and Centurion® members only. To receive statement credits of up to \$200 a year toward incidental air travel fees, Card member must enroll and choose a qualifying airline at [www.americanexpress.com/PlatinumAirlineChoice](http://www.americanexpress.com/PlatinumAirlineChoice). Only the Basic Card member or Authorized Account Manager(s) on the Card account can enroll and select the qualifying airline. Card members who have not chosen a qualifying airline will be able to do so at any time. It can take up to 48 hours post enrollment and airline choice for the benefit to be effective. Card members who have already selected a qualifying airline will not be able to change their choice until **January** of each calendar year at which time they may change their airline choice for that calendar year. Card members who do not change their airline selection will remain with their current airline. Statement Credits: Incidental air travel fees must be charged on the enrolled Card account for the benefit to apply. Incidental air travel fees must be separate charges from airline ticket charges. Fees not charged by the Card member's airline of choice (e.g. wireless internet and fees incurred with airline alliance partners) do not qualify for statement credits. Upgrade charges are not deemed to be incidental fees. The airline must submit the incidental air travel fees under the appropriate merchant code, industry code, or required service or product identifier for the charge to be eligible. Purchases made by both the Basic and Additional Card members on the enrolled Card account are eligible for statement credits. Each Card Account is eligible for up to a total of \$200 a year in statement credits, regardless of the number of Cards on the Account. Please allow 2-4 weeks after the qualifying incidental air travel fee is charged to your Card account for statement credit(s) to be posted to the account. Card members can call the number on the back of the Card if statement credits have not posted after 4 weeks from the date of purchase. Card members are responsible for payment of all charges until the statement credit(s) posts to the account. To be eligible for this benefit, Card account(s) must be active and not in default at the time of statement credit fulfillment. If a charge for any incidental air travel fee is included in a Pay Over Time feature balance on your Card account (for example, Sign & Travel), the statement credit associated with that charge will not be applied to that Pay Over Time feature balance. Instead, the statement credit will be applied to your Pay In Full balance. For additional information about this benefit, call the number on the back of your Card."

**Membership Rewards First®  
Monthly Statement and Program News**

MEMBERSHIP  
**rewards**  
FIRST™

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Prepared for JOSEPH R FRANCIS

Account Number 1M15485523

**Questions About Your Account?**

**Total Points Balance** **1,059,866**



membershiprewards.com

**Points Earned this Period** **84,077**

1-800-297-1300  
International Collect: 305-816-2799

**Account Summary** September 1, 2011 - September 30, 2011

Opening Points Balance	975,789
Points Earned this Period	+84,077
Points Used this Period	0
Reinstated Points and Adjustments	0
<b>Total Points Balance</b>	<b>1,059,866</b>

Points Earned this Period are pending until charges are paid in full and all your accounts are in good standing. Points Earned this Period may include Bonus Points.

**Did You Know?**

**Use Points For Everyday Charges**  
Use your Card for everyday purchases like groceries, gas, phone bills and more, then go online and use the points you earned to cover those charges. Learn more at [membershiprewards.com/everydaycharges](http://membershiprewards.com/everydaycharges)

**Where To Stop Before You Shop**  
Earn up to 10X points on 300+ brands at [membershiprewards.com/earn](http://membershiprewards.com/earn)

**Points Transaction Detail**

September 1, 2011 - September 30, 2011

Points Earned this Period	Points Activity On Eligible Charges	Bonus Points Awarded	Total Points Activity Per Card
Platinum XXXX-XXXXX5-17003	20,216	0	20,216
Add'l Platinum XXXX-XXXXX5-13036	1,738	0	1,738
Business Green Rewards XXXX-XXXXX6-21000	215	0	215
Business Centurion XXXX-XXXXX6-54007	24,079	0	24,079
Add'l Business Centurion XXXX-XXXXX6-55046	0	0	0
Add'l Business Centurion XXXX-XXXXX6-51078	0	0	0
Add'l Business Centurion XXXX-XXXXX6-52100	8,368	0	8,368
Add'l Business Centurion XXXX-XXXXX6-52118	22,906	0	22,906
Add'l Business Centurion XXXX-XXXXX6-52126	6,555	0	6,555
Add'l Business Centurion XXXX-XXXXX6-51136	0	0	0
Add'l Business Centurion XXXX-XXXXX6-51144	0	0	0
<b>Total</b>	<b>84,077</b>	<b>0</b>	<b>84,077</b>

Membership Rewards points earned may be transferred or redeemed as long as all enrolled Card accounts are in good standing. Points transferred or redeemed cannot be reversed back into the program. **Forfeited points can be reinstated for a fee by calling the number provided below or visiting [membershiprewards.com](http://membershiprewards.com).** Terms and Conditions of the Membership Rewards® program apply. For more information, visit [membershiprewards.com/terms](http://membershiprewards.com/terms) or call 1-800-297-1300. From overseas, call collect 305-816-2799.

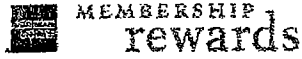
Continued on reverse

Prepared for  
**JOSEPH R FRANCIS**  
 Membership Rewards® Account Number  
**1M15485523**

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**MEMBERSHIP**  
**rewards**  
**FIRST®**

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### The Hottest Deals for the Hottest Products

Find great deals on rewards like electronics, home, fashion and accessories and sporting goods.

Save 10% or more.

Terms and conditions for the Membership Rewards® program apply. Visit [membershipewards.com/terms](http://membershipewards.com/terms) or call 1-800-AXP-EARN (297-3276) for more information. Participating partners and available rewards are subject to change without notice.

Visit [membershipewards.com/merchandise/specials](http://membershipewards.com/merchandise/specials) or call 1-800-AXP-EARN (297-3276) and redeem points for hot rewards.

(MR Message 7553)

### Redeem Membership Rewards® Points for Facebook Ad Credits to Connect with Your Customers

Facebook allows you to create rich social experiences, build lasting relationships, and amplify the most powerful type of marketing--word of mouth. Facebook Ads can help you reach your audience and make it easy for people to spread the word about your business. Redeem Membership Rewards® points for Facebook Ads credits, a new form of payment for Facebook Ads.

The offer is subject to ad approval, valid registration and acceptance of the generally applicable Facebook Advertising Terms and Conditions: [www.facebook.com/terms\\_ads.php](http://www.facebook.com/terms_ads.php) and all Terms and Conditions found here [www.facebook.com/Open?sk=app\\_164736566916636](http://www.facebook.com/Open?sk=app_164736566916636). Terms and Conditions for the Membership Rewards First® program apply. Visit [membershipewards.com/terms](http://membershipewards.com/terms) or call 1-800-297-1300 for more information. Participating partners and available rewards are subject to change without notice.

To start redeeming your Membership Rewards points for Facebook Ads Credits today, log on to [membershipewards.com](http://membershipewards.com), visit the American Express OPEN Facebook page or call 1-800-297-1300.

(MR Message 7578)



### Redeem Membership Rewards® Points for Virgin America Flights with Elevate

Take a breath of fresh airline. Fly in a mood-lit cabin with WiFi and nonstop entertainment. Virgin America's cabins give you three levels of service to choose from, plush leather seats and mood lighting to help you unwind. And with reward travel starting at 2,500 Elevate points, Membership Rewards points can get you even farther.

Terms and conditions for the Membership Rewards First® program apply. Visit [membershipewards.com/terms](http://membershipewards.com/terms) or call 1-800-297-1300 for more information. Participating partners and available rewards are subject to change without notice.

To preview this reward and to redeem points, visit [membershipewards.com](http://membershipewards.com) or call 1-800-297-1300.

(MR Message 7546)



### Redeem Membership Rewards® Points for Restoration Hardware's Timeless Home Furnishings

There are pieces that furnish a home. And those that define it. Restoration Hardware's passion for design and quality begins with the artisans they work with around the world. It's why they source the finest Italian bedding, Thai silk and Belgian linen, as well as distinctive furniture, bathware and lighting. It's a story about heritage and authenticity, and the pieces that define their home.

Terms and conditions for the Membership Rewards First® program apply. Visit [membershipewards.com/terms](http://membershipewards.com/terms) or call 1-800-297-1300 for more information. Participating partners and available rewards are subject to change without notice.

To start redeeming Membership Rewards points today, log on to [membershipewards.com](http://membershipewards.com) or call 1-800-297-1300.

(MR Message 7579)

**Offers are made only to Cardmembers who meet certain qualifying criteria. By responding you will be disclosing to the merchant that you meet these criteria.**

**EXHIBIT F**

**GGW Direct LLC**  
**Transactions by Account**  
**All Blue Horse Transactions**

Account	Date	Memo	Amount
<b>Blue Horse</b>			
	03/25/2010	Amex other Credit Card Paid By Direct	5,218.34
	04/14/2010	To record payment of 2010 state LLC tax by Direct	800.00
	08/11/2010	AMEX payment 8/11/10: paid from Direct for other AMEX expenses	15,531.79
	08/20/2010	AMEX payment 8/20/10: paid from Direct for other AMEX expenses	3,157.72
	08/28/2010	AMEX payment 8/28/10: paid from Direct for other AMEX expenses	1,703.27
	08/31/2010	AMEX payment 8/31/10: paid from Direct for other AMEX expenses	3,455.88
	01/03/2011	AMEX payment 1/3/11: paid from Direct for other AMEX expenses	20,760.28
	03/07/2011	AMEX payment 3/7/11: paid from Direct for other AMEX expenses	4,456.35
	05/25/2011	Blue Horse Bill paid by GGW Direct	5,202.70
	05/27/2011	AMEX payment 5/27/11: paid from Direct for other AMEX expenses	5,321.06
	08/01/2011	Payment from GGW Direct to Blue Horse Trading	50,000.00
	08/08/2011	Payment from GGW Direct to Blue Horse Trading	50,000.00
	08/10/2011	Payment from GGW Direct to Blue Horse Trading	50,000.00
	09/02/2011	AMEX payment 9/2/11: paid from Direct for other AMEX expenses	15,898.34
	09/19/2011	Blue Horse Insurance paid by Direct	1,434.51
	09/30/2011	Payment from GGW Direct to Blue Horse Trading	100,000.00
	11/03/2011	AMEX payment 11/3/11: paid from Direct for other AMEX expenses	38,441.59
	12/20/2011	AMEX payment 12/20/11: paid from Direct for other AMEX expenses	11,709.39
	01/25/2012	AMEX payment 01/25/12: paid from Direct for other AMEX expenses	4,097.53
	02/01/2012	Payment from GGW Direct to Blue Horse Trading	30,000.00
	02/17/2012	Payment from GGW Direct to Blue Horse Trading	40,000.00
	04/17/2012	To record payment of 2012 state LLC tax by Direct	921.00
	04/17/2012	To record payment of 2012 state LLC tax by Direct	800.00
	05/04/2012	Payment from GGW Direct to Blue Horse Trading	5,000.00
	05/14/2012	Payment from GGW Direct to Blue Horse Trading	10,000.00
	05/24/2012	Payment from GGW Direct to Blue Horse Trading	35,000.00
	06/14/2012	Payment from GGW Direct to Blue Horse Trading	10,000.00
	06/26/2012	Payment from GGW Direct to Blue Horse Trading	20,000.00
	06/29/2012	Payment from GGW Direct to Blue Horse Trading	90,000.00
	07/02/2012	Payment from GGW Direct to Blue Horse Trading	10,000.00
	07/19/2012	Payment from GGW Direct to Blue Horse Trading	10,000.00
	08/02/2012	Payment from GGW Direct to Blue Horse Trading	50,000.00
	09/04/2012	Payment from GGW Direct to Blue Horse Trading	45,000.00
	09/10/2012	Payment from GGW Direct to Blue Horse Trading	5,000.00
<b>Total Blue Horse</b>			<b>748,909.75</b>

**EXHIBIT G**

David R. Houston, Esq.

Wynn Las Vegas LLC, d/b/a Wynn Las Vegas v. Joseph Francis

1 Case No. A566286

2 Dept. No. XII

3

4

5

6

DISTRICT COURT

7

CLARK COUNTY, NEVADA

8

--o0o--

9

WYNN LAS VEGAS LLC, d/b/a WYNN  
LAS VEGAS,

10

Plaintiff,

11

vs.

12

JOSEPH FRANCIS,

13

Defendant.

14

\_\_\_\_\_  
JOSEPH FRANCIS,

15

Counterclaimant,

16

vs.

17

WYNN LAS VEGAS LLC, d/b/a WYNN  
LAS VEGAS,

18

19

Counterdefendant.

20

21

DEPOSITION OF

22

DAVID R. HOUSTON, ESQ.

23

April 3, 2012; Tuesday

24

Reno, Nevada

25

Reported by:

LORI URMSTON, CCR #51, RPR, RMR  
CALIF. CCR #3217

David R. Houston, Esq.

Wynn Las Vegas LLC, d/b/a Wynn Las Vegas v. Joseph Francis

1 APPEARANCES:

2 For the Plaintiff and Counterdefendant:

3 MITCHELL J. LANGBERG, ESQ.  
4 LAURA E. BIELINSKI, ESQ.  
5 Brownstein, Hyatt, Farber, Schreck, LLP  
6 100 North City Parkway  
Suite 1600  
Las Vegas, Nevada 89106

7 For the Deponent:

8 DAVID R. GRUNDY, ESQ.  
9 Lemons, Grundy & Eisenberg  
6005 Plumas Street  
10 Third Floor  
Reno, Nevada 89519

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1 have produced what you had requested. In reference to  
2 any other party, not a judgment debtor or a named party  
3 to the litigation, I would only have provided that  
4 which was allowed by that client.

5 Q Okay. With your counsel we discussed that it  
6 wasn't necessary, for example, to produce the detailed  
7 billing records.

8 A Correct.

9 Q And, frankly, I don't know how detailed you  
10 keep your billing records. But--

11 I apologize; I lost my train of thought.

12 A That's all right.

13 Q So we agreed that you wouldn't be producing the  
14 detailed billing records. However, is it fair to say  
15 that you provided all of the payment records that you  
16 have that relate to all of the billing records that you  
17 would have for Mr. Francis?

18 A Yes, sir.

19 Q During the timeframe that went back to sometime  
20 around February of '07, correct?

21 A Yes, sir.

22 Q Okay. Could you please describe your  
23 relationship with Mr. Francis, how you know him?

24 A Historical perspective?

25 Q Yes, sir.

David R. Houston, Esq.

Wynn Las Vegas LLC, d/b/a Wynn Las Vegas v. Joseph Francis

1           A    I was first retained by a Los Angeles firm,  
2               specifically an attorney by the name of Aaron Dyer, as  
3               a consequence of Mr. Francis being indicted by the  
4               Internal Revenue Service, United States Attorney's  
5               Office, Department of Justice, as it pertained to tax  
6               matters in the District of Nevada.

7           As a consequence of that representation, I worked  
8               with Mr. Francis for an extended period of time in the  
9               federal defense, finally culminating to a plea in  
10              Los Angeles in reference to the Central District  
11              Federal for a misdemeanor tax offense. During that  
12              period of time of representing Mr. Francis, he was  
13              incarcerated at the Washoe County Jail at 911 Parr  
14              Boulevard.

15           I was more or less then made aware as to other  
16              issues and problems, both in the state of California,  
17              the state of Nevada and the state of Florida. As a  
18              consequence of the problems in the state of Florida, I  
19              worked with Roy Black to attempt to resolve those, and  
20              we were successful in that resolution. . . .

21           The consequence of the problems in the state of  
22              Nevada had to do with various allegations as to  
23              improprieties at the jail which we were successfully  
24              able to resolve as well. And then finally, of course,  
25              the tax matter, which, as I indicated, had been

1 resolved in the Central District of California as well.

2 Q Thank you.

3 And when I mention "the case," you also understand  
4 that your subpoena was issued in conjunction with the  
5 judgment collection efforts in the case that we  
6 previously discussed?

7 A Yes.

8 Q Okay. And just because, you know, I try to  
9 have most of my cards on the table, I keep one or two  
10 occasionally, my intent is to discuss with you a couple  
11 things. One is some of the financial information  
12 regarding your representation of Mr. Francis, and then  
13 to the extent that you may have personal knowledge  
14 relating to Mr. Francis's assets or sources of income,  
15 typical debt collection kind of stuff.

16 A Sure.

17 Q I intend to make this go as quickly as I can--

18 A Okay.

19 Q --to balance the minimization of inconvenience  
20 to you with representing my client.

21 A I appreciate that.

22 Q From your description and, frankly, from things  
23 that I've seen in the media and from our prior  
24 conversations once or twice, is it fair to say that you  
25 have taken on a kind of general representation of

David R. Houston, Esq.

Wynn Las Vegas LLC, d/b/a Wynn Las Vegas v. Joseph Francis

1 Mr. Francis in various different kinds of matters?

2 A And that's correct.

3 Q Okay. Kind of in some ways like a consulting  
4 attorney?

5 A Correct.

6 Q And would you consider you and Mr. Francis  
7 friends at this point or are you purely professional?

8 A I consider him a friend actually.

9 Q Have you been to his house in Los Angeles?

10 A Yes, I have.

11 Q Can you identify for me what matters, if any,  
12 you currently represent Mr. Francis on?

13 A Yes. Well, there are several. Currently there  
14 are a number of issues, frankly, as it concerns the  
15 Wynn matter that most recently I've been asked to  
16 become involved in referencing the Supreme Court as far  
17 as the default judgments that have been entered. I  
18 believe one default was taken by virtue of the Fifth  
19 Amendment incorporation at the time of the deposition.  
20 And then I believe there was a subsequent default taken  
21 for nonappearance, most recently, for a defamation  
22 case. Other than that, I'm not very familiar with it.  
23 That would have been the request most recently.

24 Other than that, we handle a number of different  
25 issues in a consulting basis. One recently would have

David R. Houston, Esq.

Wynn Las Vegas LLC, d/b/a Wynn Las Vegas v. Joseph Francis

1 involved Madonna and what we believe to be the  
2 misappropriation of a trademark. There have been a  
3 number of other cases in reference to issues that  
4 surround Mr. Francis where I've offered opinions to his  
5 in-house counsel as well as to criminal counsel in the  
6 state of California concerning another matter that is  
7 somewhat dated but nonetheless still alive.

8 Q Okay. And I want to break these down, because  
9 there's no-- no secret. There's the issue that we've  
10 seen in correspondence, which we'll get in the record  
11 later, that one GGW entity had put money in your trust  
12 account. And, you know, I'm just going to ferret stuff  
13 out to make clear for my purposes that's GGW's money  
14 versus money that you've been paid for representation.

15 A Sure.

16 Q You mentioned two Nevada state court cases  
17 involving Wynn. There's the Fifth Amendment-- the case  
18 where there was a summary judgment entered after  
19 assertions of the Fifth Amendment, which I refer to as  
20 the marker case, it was the Wynn Las Vegas attempting  
21 to collect on the marker, correct?

22 A Correct.

23 Q And you've represented Mr. Francis-- Let me  
24 correct that.

25 You've provided legal services to Mr. Francis in

David R. Houston, Esq.

Wynn Las Vegas LLC, d/b/a Wynn Las Vegas v. Joseph Francis

1 relation to that action?

2 A Actually I represented Mr. Francis in reference  
3 to the criminal portion of that action and got the  
4 criminal case dismissed as it pertained to the marker.  
5 As far as the marker case itself, I've not had much  
6 involvement, save and except a request to become  
7 involved as it pertains to any litigation before the  
8 Supreme Court.

9 Q Okay. Again, just to make the record clear,  
10 you correctly added one matter, that there had been a  
11 criminal case, Mr. Francis had been indicted on a  
12 criminal charge relating to the unpaid marker and you  
13 represented him in that where ultimately the case was  
14 dismissed?

15 A That's correct, by writ.

16 Q And you represented Mr. Francis personally in  
17 that matter?

18 A Yes, I did.

19 Q Okay. Then with regard to the civil case that  
20 pertained to the Wynn marker, have you provided  
21 services to Mr. Francis for which you've been paid,  
22 whether you appeared in court or otherwise?

23 A If so, it's negligible. That was more handled  
24 by civil counsel than myself.

25 Q Were you not the one that made the-- And I

David R. Houston, Esq.

Wynn Las Vegas LLC, d/b/a Wynn Las Vegas v. Joseph Francis

1 matter?

2 A There can be. There has not been up until this  
3 point. However, if there is ever a direct nexus  
4 between the criminal issue versus the civil where I am  
5 of assistance, then certainly that's what I will be  
6 providing in reference to service.

7 Q With regard to Mr. Francis personally, are  
8 there-- This is a yes/no question.

9 Are there engagement letters or an engagement  
10 letter that underlies your relationship?

11 A There has been in the past, yes.

12 Q And is it-- The engagement letters that I have  
13 say words to the effect of: This engagement letter  
14 covers this case and any other services you might  
15 provide for me in the future.

16 MR. GRUNDY: You mean-- You said the engagement  
17 letters that you have. Do you mean involving  
18 Mr. Francis or the ones you use?

19 MR. LANGBERG: Bad question. Let me withdraw the  
20 question.

21 BY MR. LANGBERG:

22 Q By way of example, the ones that my firm uses  
23 with its clients incorporate a provision that basically  
24 says it's going to cover any future services you  
25 request if we don't enter into a new engagement letter.

David R. Houston, Esq.

Wynn Las Vegas LLC, d/b/a Wynn Las Vegas v. Joseph Francis

1 Withdraw the question.

2 Is there an engagement letter that you believe  
3 covers the services that you currently provide to  
4 Mr. Francis?

5 A Which services?

6 Q Any services.

7 A Any and all, no.

8 Q Okay. So you're operating under a gentleman's  
9 agreement at this point?

10 A Correct.

11 Q It's not covered by an existing written  
12 agreement?

13 A Correct. There have been written agreements in  
14 the past, but there are not written agreements at the  
15 present.

16 Q Okay. Do you have any engagement letters with  
17 any of the entities that we have discussed?

18 A No.

19 Q Having, I think, exhausted the California and  
20 Nevada matters for which you represent Mr. Francis, can  
21 you identify other matters during the timeframe that we  
22 are covering to the best of your ability in which  
23 you've represented Mr. Francis? And I do know that in  
24 your introduction you articulated some of them in your  
25 history of him, but--

David R. Houston, Esq.

Wynn Las Vegas LLC, d/b/a Wynn Las Vegas v. Joseph Francis

1 A I think we've spoken of most of them, save and  
2 except the Florida litigation. Other than that, no.

3 Q Okay. So the Florida litigation was what?

4 A The Florida litigation was where the state's  
5 attorney in Panama City, Florida brought a criminal  
6 case initially against Mr. Francis, and there are  
7 related forfeiture actions against some of his entities  
8 as it concerned allegations of prostitution, child  
9 pornography, a number of other counts in reference to  
10 alleged drug possession, leading initially to a  
11 121-count indictment, wherein I think 114 of the counts  
12 were fairly immediately dismissed, with the final  
13 resolution in that case again being a plea to a  
14 misdemeanor offense.

15 Q Who did you represent in that action?

16 A Actually I was working with Roy Black who was  
17 counsel of record. And the consequence of my  
18 involvement again was more as an advisor as opposed to  
19 an individual appearing in court.

20 Q Breaking those actions into the criminal  
21 complaint against Mr. Francis and the civil forfeiture  
22 matters against the entities, were you consulting on  
23 both-- in both regards?

24 A No, criminal.

25 Q Just the criminal matter against Mr. Francis

David R. Houston, Esq.

Wynn Las Vegas LLC, d/b/a Wynn Las Vegas v. Joseph Francis

1 personally?

2 A Correct.

3 Q And were you compensated for your services in  
4 that matter?

5 A Yes.

6 Q Are there any other criminal matters that we  
7 haven't touched upon in which you've represented  
8 Mr. Francis?

9 A No, none that I can think of at the moment.

10 Q Have you at times served as an interphase  
11 between Mr. Francis and law enforcement when there have  
12 been threats of criminal matters?

13 A Yes, I have.

14 Q Okay. For example, I can't remember the  
15 woman's name, but there was a bar incident, a fight in  
16 a bar, I think there was a drink and there was a video.  
17 I don't want to characterize the event. Do you know  
18 what I'm talking about?

19 A I do know what you're speaking about.

20 Q The woman's name was Jade, Jada?

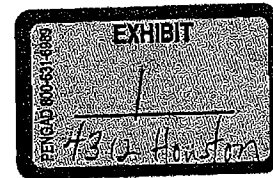
21 A Jade.

22 Q Did you provide any services to Mr. Francis in  
23 relation to that matter for which you were paid?

24 A Discussion, advisement and consulting.

25 Q Were you paid for that to your recollection?

Date	2012 To Date Billed Amount	Amount Received
1.31.12	\$ 812.50	
12.31.11	\$ 875.00	\$ 1,687.50
1.31.12	\$ 4,035.56	\$ 4,035.56
1.24.12	\$ 1,000.00	\$ 1,000.00
2.29.12	\$ 937.73	pending payment



THIS DOCUMENT HAS A COLORED BACKGROUND AND HIGH RESOLUTION BORDER. THE REVERSE SIDE OF THIS DOCUMENT HAS AN ARTIFICIAL WATERMARK.

**GGW Direct**  
P.O. Box 150  
Los Angeles, CA 90078  
310-405-0200

**National Bank of California**  
145 St. James Ave.  
Los Angeles, CA 90036-2108  
323-655-6061

1234

Date: 1/17/2012

Pay to the Order of: **Law Offices of David R. Houston**

\$ 1,687.50

ONE THOUSAND SIX HUNDRED EIGHTY SEVEN AND 50/100 DOLLARS

Law Offices of David R. Houston  
2412 Gould Street  
Reno, Nevada 89501

REDACTED

GGW Direct		1234	
Law Offices of David R. Houston		1/17/2012	
Date	Type Reference	Original Amt	Balance Due
11/30/2011	Bill 1412	812.50	812.50
12/31/2011	Bill 1421	875.00	875.00
		Check Amount	1,687.50
National Bank of California		GGW	
		1,687.50	

GGW Direr  
PO Box 150  
Los Angeles, CA 90078  
310-405-0200

National Bank Of  
145 S Fairfax  
Los Angeles, CA 90036-2106  
323-655-6001

1379

Date 2/23/2012

Pay to the  
Order of

Law Offices of David R. Houston

\$ \*\*4,035.56

FOUR-THOUSAND THIRTY-FIVE AND 56/100 \*\*\*\*\* Dollars

Law Offices of David R. Houston  
432 Court Street  
Reno, Nevada 89501



Memo January 2012

REDACTED

GGW Direct

1379

Law Offices of David R. Houston

Date	Type	Reference	Original Amt.	Balance Due	2/23/2012 Discount	Payment
1/31/2012	Bill	1447	4,035.56	4,035.56		4,035.56
				Check Amount		4,035.56

National Bank - GGW - January 2012

Previous Day/Posted Transactions - Nevada State Bank

Page 1 of 1



## Previous Day/Posted Transactions

Use this screen to review transactions for a specific period of time. You can select a different account or period of time.

### IOLTA - xxx-xx699-8

Prior Day Balance: \$  
Current Balance: \$  
Available Balance: \$  
Prior Year Interest Paid:  
Interest Rate: 0.750%  
Annual Percentage Yield: For your Annual Percentage Yield (APY),  
please refer to your current account statement.

Today is: 01/24/2012  
Ledger date: 01/23/2012

View Account:

IOLTA - xxx-xx699-8

View Transactions:

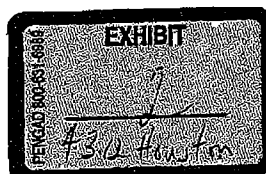
01/23/2012 to 01/23/2012

Display days

View: Current Day | Previous Day  
Transactions on 01/23/2012

Date	Transaction Description	Credits	Debits	Balance
01/23/2012	Wire WIRE/IN-2012012300005292;ORG	\$ 1,000.00	\$	
	Credit 433 GGW DIRECT LLC (DELAWARE LLC)			

Date	2011	Billed Amount	Amount Received
5.31.11	\$	646.80	\$ 646.80
7.20.11	\$	739.60	\$ 739.60
6.8.11	\$	734.59	\$ 734.59
8.31.11	\$	659.41	\$ 659.41
10.31.11	\$	6,375.00	\$ 6,375.00



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**GGW Direct, LLC**  
1601 Gloverfield Blvd  
Suite 420S  
Santa Monica, CA 90404  
(424) 217-8800

**JPMorgan Chase Bank, N.A.**  
15260 Ventura Blvd  
Sherman Oaks, CA 91403  
90-7162

3635  
6/10/2011

PAY **Law Offices of David R. Houston** \$ **\*\*646.80**

**SIX HUNDRED FORTY SIX AND 80/100 \*\*\*\*\* DOLLARS**

TO THE **Law Offices of David R. Houston**  
ORDER  
OF

5/31/2011 REDACTED

*For T. R. H.*

GGW Direct, LLC

3635

Law Offices of David R. Houston

6/10/2011

Date	Type	Reference
5/31/2011	Bill	1320

Original Amt.  
646.80

Balance Due  
646.80

Discount

Payment  
646.80

Check Amount

646.80

Checking GGW Dire 5-31-11 646.80

646.80

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GGW Direct, LLC  
P.O. Box 150  
Los Angeles, CA 90078  
(424) 217-8800

JPMorgan Chase Bank, N.A.  
15260 Ventura Blvd.  
Sherman Oaks, CA 91403  
90-7162

6286  
8/5/2011

PAY Law Offices of David R. Houston \$ \*\*739.60

SEVEN HUNDRED THIRTY NINE AND 60/100 DOLLARS

TO THE ORDER OF Law Offices of David R. Houston  
432 Court Street  
Reno, Nevada 89501

MEMO: Court travel charges for 7-20-11

REDACTED

GGW Direct, LLC 6286

Law Offices of David R. Houston 8/5/2011

Date	Type	Reference	Original Amt	Balance Due	Discount	Payment
7/20/2011	Bill	1334	739.60	739.60		739.60
					Check Amount	739.60

Checking - GGW Direct - Court travel charges for 7-20-11 - 739.60

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**GGW Direct, LLC**

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Suite 420S  
Santa Monica, CA 90404  
(424) 217-8800

**JPMorgan Chase Bank, N.A.**

15260 Ventura Blvd  
Sherman Oaks, CA 91403

90-7162

**5299**

**6/23/2011**

**PAY** Law Offices of David R. Houston

\$ **\*\*734.59**

**SEVEN-HUNDRED-THIRTY-FOUR AND 59/100\*\*\*\*\* DOLLARS**

**TO THE** Law Offices of David R. Houston  
**ORDER** 432 Court Street  
**OF** Reno, Nevada 89501

Memo Travel expenses

*See Franchise*

REDACTED

**GGW Direct, LLC**

**5299**

Law Offices of David R. Houston

**6/23/2011**

Date	Type	Reference	Original Amt	Balance Due	Discount	Payment
6/8/2011	Bill	1322	734.59	734.59		734.59
					Check Amount	734.59

Checking - GGW Dire Travel expenses

**734.59**

GGW Direct, LLC

P.O. Box 150  
Los Angeles, CA 90078  
(424) 217-8800

JPMorgan Chase Bank, N.A.

15260 Ventura Blvd  
Sherman Oaks, CA 91403

60-7162

6362

9/8/2011

PAY Law Offices of David R. Houston

\$

\*\*659.41

SIX-HUNDRED-FIFTY-NINE AND 41/100\*\*\*\*\*

DOLLARS

TO THE  
ORDER  
OF

Law Offices of David R. Houston  
432 Court Street  
Reno, Nevada 89501

*See Front*

Memo Vegas Trip-Writ Hearing

REDACTED

GGW Direct, LLC

6362

Law Offices of David R. Houston

9/8/2011

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
8/31/2011	Bill	1353	659.41	659.41		659.41
					Check Amount.	659.41

Checking - GGW Dire Vegas Trip-Writ Hearing

659.41

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AND HIGH RESOLUTION BORDER. THE REVERSE SIDE OF THIS  
HAS AN ARTIFICIAL WATERMARK

GGW Direct  
PO Box 150  
Los Angeles, CA 90078  
310-405-0200

National Bank Of California  
145 S Fairfax Ave  
Los Angeles, CA 90038-2106  
323-655-6001

1117

Date: 11/21/2011

Pay to the  
Order of Law Offices of David R. Houston \$ \*6,375.00

SIX THOUSAND THREE HUNDRED SEVENTY FIVE AND 00/100 \*\*\*\*\* Dollars

Law Offices of David R. Houston  
432 Court Street  
Reno, Nevada 89501

REDACTED

GGW Direct

1117

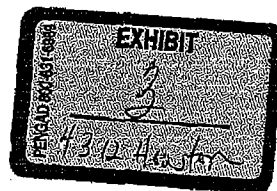
Law Offices of David R. Houston

Date	Type	Reference	Original Amt	Balance Due	11/21/2011 Discount	Payment
10/25/2011	Bill	1400	6,375.00	6,375.00		6,375.00
					Check Amount	6,375.00

National Bank-GGW

6,375.00

Date	2009	Billed Amount	Amount Received
10.22.08	\$	9,042.29	
2.5.09	\$	127.95	
3.30.09	\$	380.00	
5.1.09	\$	5,000.00	
7.9.09	\$	5,000.00	
10.6.09	\$	1,127.20	
10.6.09	\$	2,341.18	
12.4.09	\$	1,981.38	
			\$ 25,000.00
11.5.09	\$	3,000.00	
			\$ 3,000.00



2009

Feb

May  
July

Sept thru Nov

**Law Office of David R Houston**

432 Court Street  
Reno, NV 89501

**Invoice**

DATE	INVOICE #
10/7/2008	728

BILL TO
Joseph Francis GGW Brands / GGW Direct, LLC P.O. Box 150 Los Angeles, CA. 90078

COURT DATE	BILLED ON
	12/4/2009

DATE	DESCRIPTION	AMOUNT
10/7/2008	DEP into Trust Account \$25000.00 #13372	25,000.00
10/22/2008	Paid INVOICE #725 to DRH \$(9042.29)	-9,042.29
2/5/2009	Paid INVOICE #775 to DRH \$(127.95)	-127.95
3/30/2009	Paid INVOICE #814 to DRH \$(380.00)	-380.00
5/19/2009	Paid INVOICE #858 to DRH \$(5000.00)	-5,000.00
7/9/2009	Paid INVOICE #882 to DRH \$(5000.00)	-5,000.00
10/6/2009	Paid INVOICE # 918 to DRH \$(1127.20)	-1,127.20
10/6/2009	Paid INVOICE #924 to DRH \$(2341.18)	-2,341.18
12/4/2009	Fees paid to DRH - Per DRH \$(1981.38)	-1,981.38
<b>Balance Due</b>		<b>\$0.00</b>

DUE UPON RECEIPT

13372

**MANTRA FILMS INC.**  
1601 CLOVERFIELD BLVD., STE. 420S  
SANTA MONICA, CA 90404-4082

WASHINGTON MUTUAL BANK  
RANCHO PARK FINANCIAL CENTER 892  
LOS ANGELES, CA 90084  
90-7162-3222

10/6/2008

PAY TO THE ORDER OF David R Houston/Trust Account

\$ 25,000.00

Twenty Five Thousand Dollars and 00 Cents

DOLLARS

David R Houston/Trust Account

MEMO

REDACTED

*See Tranche*

MANTRA FILMS INC.

13372

Vendor ID	Name	Payment Number	Check Date	Check Amount	
DAVI009	David R Houston/Trust Account	0006082	10/6/2008	13372	
Our Voucher Number	Date	Amount	Amount Paid	Dis. amt	Net Amount Paid
10052008	10/6/2008	\$25,000.00	\$25,000.00	\$0.00	\$25,000.00

\$25,000.00 \$25,000.00 \$0.00 \$25,000.00

14892

**MANTRA FILMS INC.**  
1601 CLOVERFIELD BLVD., STE. 420S  
SANTA MONICA, CA 90404-4082

JPMORGAN CHASE BANK, N.A.  
RANCHO PARK FINANCIAL CENTER  
LOS ANGELES, CA 90064  
WASHINGTON MUTUAL BRANCH  
90-7162-3222

11/5/2009

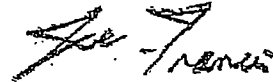
PAY TO THE David R. Houston  
ORDER OF

\$ 3,000.00

Three Thousand Dollars and 00 Cents

DOLLARS

David R. Houston  
The Law office of David R Houston  
432 Court Street  
Reno Nevada 89501



AUTHORIZED SIGNATURE

MEMO

REDACTED

MANTRA FILMS INC.

14892

Vendor ID	Name	Payment Number	Check Date	Document Number	
DAVI008	David R. Houston	0000000000000001032	11/5/2009	14892	
Our Voucher Number	Date	Amount	Amount Paid	Discount	Net Amount Paid
941	11/5/2009	\$3,000.00	\$3,000.00	\$0.00	\$3,000.00

\$3,000.00

\$3,000.00

\$0.00

\$3,000.00

Date	2008	Billed Amount	Amount Received
1.16.08		\$ 18,000.00	
1.16.08		\$ 11,266.30	
1.16.08		\$ 5,733.70	
			\$ 35,000.00 jan
2.6.08		\$ 3,892.50	
2.6.08		\$ 6,107.50	
			\$ 10,000.00 feb
4.8.08		\$ 10,000.00	
5.1.08		\$ 15,408.00	
			\$ 15,408.00 apr
			\$ 10,000.00 may
8.31.08		\$ 696.55	
			\$ 69.55 aug

